Illinois-American Water Company Total Company

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

Line No.	Description	Company Surrebuttal Case Pro Forma Present Adjusted (Appendix A (Sch. 1-Total p. 2)	turrebuttal Case Pro Forma Staff Staff resent Adjusted Adjustments Pro Forma (Appendix A (Appendix A Present		Company Proposed Increase (Company (IAWC Ex. 6.01 SR)	Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Pro Forma Proposed (Cols. g+h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 2	Tariff Revenue Other Revenue	\$ 177,662,830 3,630,209	\$ -	\$ 177,662,830 3,630,209	\$ 50,138,634	\$ -	\$ 227,801,464 3,630,209	\$ (2,616,640)	\$ 225,184,824 3,630,209
3	Total Operating Revenue	181,293,039	-	181,293,039	50,138,634	-	231,431,673	(2,616,640)	228,815,033
4	Uncollectible Accounts Expense Labor	2,247,844 24,471,164	-	2,247,844 24,471,164	601,663	2	2,849,509 24,471,164	(31,399)	2,818,110 24,471,164
5 6	Fuel & Power	9,039,309	-	9,039,309	-	-	9,039,309	-	9,039,309
7	Chemicals	7.765.044	_	7.765.044	-	-	7.765.044	-	7,765,044
8	Waste Disposal	1,493,390	-	1,493,390	-	-	1,493,390	-	1,493,390
9	Management Fees	21,136,057	-	21,136,057	-	-	21,136,057	-	21,136,057
10	Group Insurance	6,683,717	-	6,683,717	-	-	6,683,717	-	6,683,717
11	Pensions	4,200,614	-	4,200,614	-	-	4,200,614	-	4,200,614
12	Regulatory Expense	1,340,547	(62,000)	1,278,547	-	-	1,278,547	-	1,278,547
13	Insurance - other	3,721,452	-	3,721,452	-	-	3,721,452	-	3,721,452
14	Customer Accounting	2,631,177	-	2,631,177	-	-	2,631,177	-	2,631,177
15	Rents	1,183,927	-	1,183,927	-	-	1,183,927	-	1,183,927
16	General Office Expense	2,384,290	-	2,384,290	-	-	2,384,290	-	2,384,290
17	Maintenance - other	8,738,614	-	8,738,614	-	-	8,738,614	-	8,738,614
18	Miscellaneous	9,550,691	-	9,550,691	-	-	9,550,691	-	9,550,691
19	Depreciation & Amortization	39,431,443	-	39,431,443	-	-	39,431,443	-	39,431,443
20	Taxes other than Income	12,642,580		12,642,580			12,642,580		12,642,580
21	Total Operating Expense								
22	Before Income Taxes	158,661,859	(62,000)	158,599,859	601,663	2	159,201,524	(31,399)	159,170,125
23	State Income Tax	208,009	12,777	220,786	2,034,475	22	2,255,283	(106,176)	2,149,107
24	Federal Income Tax	3,920,524	104,428	4,024,952	16,625,872	(6)	20,650,818	(867,674)	19,783,144
25	Deferred Taxes and ITCs Net	(2,854,854)		(2,854,854)			(2,854,854)		(2,854,854)
26	Total Operating Expenses	159,935,538	55,205	159,990,743	19,262,010	18	179,252,771	(1,005,249)	178,247,522
27	NET OPERATING INCOME	<u>\$</u> 21,357,501	\$ (55,205)	\$ 21,302,296	\$ 30,876,624	<u>\$ (18)</u>	\$ 52,178,902	\$ (1,611,391)	\$ 50,567,511

Staff Rate Base (Appendix A, Schedule 3-Total, Column (d))

\$ 613,158,601 8.25%

\$ 47,521,994 26.21%

²⁹ Staff Overall Rate of Return (ICC Staff Exhibit 10.0, Schedule 10.1)

³⁰ Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3)

Percentage Revenue Change (Col. (i), Line 30 divided by Col. (d), Line 3)

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Illinois-American Water Company Total Company

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

		Company Rebuttal Case	Company Surebuttal Adjustment	Interest Svr	nchronization	Company Surrebuttal Case Pro Forma Adjusted (Co. Ex. 6.01 SR)	
Line No.	Description	Pro Forma Adjusted (Co. Ex. 6.01 R1)	U. S. Steel Revenue (IAWC Ex. 6.02 SR)	Staff Rebuttal (Appendix A Sch. 5)	Company Surrebuttal (IAWC Ex. 6.02 SR)		
	(a)	(b)	(c)	(d)	(e)	(f)	
1 2	Tariff Revenue Other Revenue	\$ 175,960,149 3,630,209	\$ 1,702,681	\$	\$	\$ 177,662,830 3,630,209	
3	Total Operating Revenue	179,590,358	1,702,681	-	-	181,293,039	
4	Uncollectible Accounts Expense	2,247,844	-	-	-	2,247,844	
5	Labor	24,471,164	-	=	=	24,471,164	
6	Fuel & Power	8,839,819	199,490	-	-	9,039,309	
7	Chemicals	7,557,411	207,633	-	-	7,765,044	
8	Waste Disposal	1,493,390	-	-	-	1,493,390	
9	Management Fees	21,136,057	-	-	-	21,136,057	
10	Group Insurance	6,683,717	-	-	-	6,683,717	
11	Pensions	4,200,614	-	-	=	4,200,614	
12	Regulatory Expense	1,340,547	-	-	=	1,340,547	
13	Insurance - other	3,721,452	-	-	-	3,721,452	
14	Customer Accounting	2,610,745	20,432	=	=	2,631,177	
15	Rents	1,183,927	-	-	-	1,183,927	
16	General Office Expense	2,384,290	-	-	-	2,384,290	
17	Maintenance - other	8,738,614	-	-	-	8,738,614	
18	Miscellaneous	9,550,691	-	-	-	9,550,691	
19	Depreciation & Amortization	39,431,443	-	-	-	39,431,443	
20	Taxes other than Income	12,642,580	-	-	=	12,642,580	
21	Total Operating Expense						
22	Before Income Taxes	158,234,304	427,555	-	-	158,661,859	
23	State Income Tax	155,249	52,369	18,954	(18,563)	208,009	
24	Federal Income Tax	3,489,358	427,965	154,902	(151,701)	3,920,524	
25	Deferred Taxes and ITCs Net	(2,854,854)		. <u> </u>		(2,854,854)	
26	Total Operating Expenses	159,024,057	907,889	173,856	(170,264)	159,935,538	
27	NET OPERATING INCOME	\$ 20,566,301	\$ 794,792	\$ (173,856)	\$ 170,264	\$ 21,357,501	

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Illinois-American Water Company Total Company

Adjustments to Operating Income For the Test Year Ending December 31, 2010

Sum of schedules for: Zone 1 "Z1", Chicago Metro Water "CMW", Chicago Metro Sewer "CMS", Pekin "P" & Lincoln "L" Total Interest Rate Case Synchronization Expense Operating Line (Appendix A (Staff Ex. 9.0 Statement No. Description Sch. 5) Sch. 9.1) (Source) (Source) (Source) (Source) (Source) Adjustments (a) (b) (c) (d) (e) (f) (g) (h) Tariff Revenue \$ \$ \$ \$ \$ \$ \$ \$ Miscellaneous Revenue **Total Operating Revenue** Uncollectible Accounts Expense 4 Labor 5 Fuel & Power 6 Chemicals Waste Disposal Management Fees 9 Group Insurance 10 Pensions 11 Regulatory Expense (62,000)(62,000)12 13 Insurance - other 14 **Customer Accounting** 15 General Office Expense 16 Maintenance - other 17 Miscellaneous 18 Depreciation & Amortization 19 Taxes other than Income 20 **Total Operating Expense** 21 Before Income Taxes (62,000)(62,000)22 23 State Income Tax 10.232 2.545 12.777 Federal Income Tax 83,618 20,810 104,428 24 Deferred Taxes and ITCs Net 25 (38,645)**Total Operating Expenses** 93,850 55,205 26 **NET OPERATING INCOME** (93,850)38,645 (55,205)

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Illinois-American Water Company **Total Company**

Rate Base

		,	Company				
		•	Surrebuttal Case Pro Forma		Staff		Staff
		_	Present Adjusted		Adjustments		Pro Forma
Line		·	(Appendix A,		(Appendix A		Rate Base
No.	Description		Sch 3, p. 2)		Sch 4-Total)		(Col. b+c)
110.	· · · · · · · · · · · · · · · · · · ·			_	· · · · · · · · · · · · · · · · · · ·	_	
	(a)		(b)		(c)		(d)
1	Gross Utility Plant in Service	\$	1,224,750,066	\$	-	\$	1,224,750,066
2	Less: Accumulated Depreciation		(425,875,448)				(425,875,448)
3	Net Utility Plant in Service		798,874,618		-		798,874,618
4	Construction Work in Progress	\$	-	\$	-	\$	-
5	Utility Plant Acquisition Adj DuPage		154,534		-		154,534
6	Additions to Rate Base						
7	Cash Working Capital		5,064,000		82,000		5,146,000
8	Materials & Supplies		3,002,240		-		3,002,240
9	Deferred Charges - Tank Painting		10,228,877		-		10,228,877
10	FAS 109 Reg. Asset-Net of Liability		(99,840)		-		(99,840)
11		-	-		-		-
12		-	-		-		-
13		-	-		-		-
14	Deduction From Data Base	-	-		-		-
15	Deductions From Rate Base		(00,000,070)				(00,000,070)
16	Customer Advances		(80,966,272)		-		(80,966,272)
17	Pension Liability OPEB Liability		(3,772,986) (2,165,869)		-		(3,772,986) (2,165,869)
18 19	Contributions in Aid of Construction		(138,948,076)		-		(138,948,076)
20	Accum. Depr. On CIAC		57,677,723		-		57,677,723
21	Budget Payment Plan		(11,623)		_		(11,623)
22	Deferred Federal Income Taxes		(34,751,610)		-		(34,751,610)
23	Deferred State Income Taxes		(1,205,401)		-		(1,205,401)
24	Investment Tax Credit - pre 1971	_	(3,715)		<u>-</u>		(3,715)
25	Rate Base	\$	613,076,601	\$	82,000	\$	613,158,601

Docket No. 09-0319 Appendix A Schedule 3-Total Page 2 of 2

Illinois-American Water Company **Total Company**

Rate Base

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 R1 FR)			Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)	Company urrebuttal Case Pro Forma Adjusted IAWC Ex. 6.03 SR)
	(a)		(b)		(c)	(d)
1 2	Gross Utility Plant in Service Less: Accumulated Depreciation	\$	1,224,750,066 (425,875,448)	\$	-	\$ 1,224,750,066 (425,875,448)
3	Net Utility Plant in Service		798,874,618	_		 798,874,618
	·		, . ,			,- ,
4	Construction Work in Progress	\$	-		-	\$ -
5	Utility Plant Acquisition Adj DuPage		154,534		-	154,534
6	Additions to Rate Base					
7	Cash Working Capital		4,689,000		375,000	5,064,000
8	Materials & Supplies		3,002,240		-	3,002,240
9	Deferred Charges - Tank Painting		10,228,877		-	10,228,877
10	FAS 109 Reg. Asset-Net of Liability		(99,840)		-	(99,840)
11	-		-		-	-
12	-		-		-	-
13	-		-		-	-
14	-		-		-	-
15	Deductions From Rate Base					-
16	Customer Advances		(80,966,272)		-	(80,966,272)
17	Pension Liability		(3,772,986)		-	(3,772,986)
18	OPEB Liability		(2,165,869)		-	(2,165,869)
19	Contributions in Aid of Construction		(138,948,076)		-	(138,948,076)
20	Accum. Depr. On CIAC		57,677,723		-	57,677,723
21	Budget Payment Plan Deferred Federal Income Taxes		(11,623)		-	(11,623)
22			(34,751,610)		-	(34,751,610)
23	Deferred State Income Taxes		(1,205,401)		-	(1,205,401)
24	Investment Tax Credit - pre 1971	_	(3,715)	_	-	 (3,715)
25	Rate Base	\$	612,701,601	\$	375,000	\$ 613,076,601

Illinois-American Water Company Total Company

Adjustments to Rate Base For the Test Year Ending December 31, 2010

			Sui	m of s	chedules for: 2	Zone 1 "Z	1", Chicago	Metro W	Vater "CN	/IW", Ch	icago M	etro Se	wer "CMS	", Pekin	"P" & Liı	ncoln	"L"
Line No.	Description		ash Working Capital Appendix A Sch. 7)		(Source)		ource)	(Sou			urce)		Source)		ource)		Total Rate Base Adjustments
	(a)		(b)		(c)		(e)	(f)		(f)		(g)		(h)		(i)
1 2	Gross Utility Plant in Service Less: Accumulated Depreciation	\$	- -	\$	- -	\$	- -	\$	- -	\$	- -	\$		\$	- -	\$	<u> </u>
3	Net Utility Plant in Service		-		-		-		-		-		-		-		-
4 5	Construction Work in Progress Utility Plant Acquisition Adj DuPage		-		-		-		-		-		-		-		- -
6 7	Additions to Rate Base Cash Working Capital		82,000		-		_		-		-		_		-		82,000
8	Materials & Supplies		-		-		-		-		-		-		-		-
9	Deferred Charges - Tank Painting		-		-		-		-		-		-		-		-
10 11	FAS 109 Reg. Asset-Net of Liability	_	-		-		-		-		-		-		-		-
12		-	-		-		-		-		-		-		-		-
13		-	-		-		-		-		-		-		-		-
14	Deductions From Rate Base	-	-		-		-		-		-		-		-		-
15 16	Customer Advances		-		-		-		-		-		-		-		-
17	Pension Liability		-		-		-		-		-		-		-		-
18	OPEB Liability		-		-		-		-		-		-		-		-
19	Contributions in Aid of Construction		-		-		-		-		-		-		-		-
20 21	Accum. Depr. On CIAC Budget Payment Plan		-		-		-		-		-		-		_		-
22	Deferred Federal Income Taxes		_		_		-		_		_		_		_		-
23	Deferred State Income Taxes		-		-		-		-		-		-		-		-
24	Investment Tax Credit - pre 1971										-						<u>-</u>
25	Rate Base	\$	82,000	\$	-	\$		\$		\$	-	\$	-	\$		\$	82,000

Illinois-American Water Company Zone 1

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

Line No.	Description	Company Surrebuttal Case Pro Forma Present Adjusted (Appendix A (Sch. 1-Z1, p. 2)	Staff Staff Adjustments Pro Forma (Appendix A Present Sch. 2-Z1) (Cols. b+c) (c) (d)		Company Proposed Increase (Company (IAWC Ex. 6.01 SR)	Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Pro Forma Proposed (Cols. g+h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 2	Tariff Revenue Other Revenue	\$ 132,394,191 2,142,198	\$	\$ 132,394,191 2,142,198	\$ 36,729,016	\$	\$ 169,123,207 2,142,198	\$ (1,937,730)	\$ 167,185,477 2,142,198
3	Total Operating Revenue	134,536,389	-	134,536,389	36,729,016	-	171,265,405	(1,937,730)	169,327,675
4	Uncollectible Accounts Expense	1,476,241	-	1,476,241	440,748	2	1,916,991	(23,253)	1,893,738
5	Labor	18,434,289	-	18,434,289	-	-	18,434,289	-	18,434,289
6	Fuel & Power	7,279,297	-	7,279,297	-	-	7,279,297	-	7,279,297
7	Chemicals	7,576,417	-	7,576,417	-	-	7,576,417	-	7,576,417
8	Waste Disposal	996,132	-	996,132	-	-	996,132	-	996,132
9	Management Fees	16,304,347	-	16,304,347	-	-	16,304,347	-	16,304,347
10	Group Insurance	5,103,169	-	5,103,169	-	-	5,103,169	-	5,103,169
11	Pensions	3,235,530	-	3,235,530	-	-	3,235,530	-	3,235,530
12	Regulatory Expense	1,034,099	(48,000)	986,099	-	-	986,099	-	986,099
13	Insurance - other	2,871,701	-	2,871,701	-	-	2,871,701	-	2,871,701
14	Customer Accounting	2,070,876	-	2,070,876	-	-	2,070,876	-	2,070,876
15	Rents	603,659	-	603,659	-	-	603,659	-	603,659
16	General Office Expense	1,516,790	-	1,516,790	-	-	1,516,790	-	1,516,790
17	Maintenance - other	5,834,843	-	5,834,843		-	5,834,843	-	5,834,843
18	Miscellaneous	6,715,565	-	6,715,565	-	-	6,715,565	-	6,715,565
19	Depreciation & Amortization	27,861,507	-	27,861,507	-	-	27,861,507	-	27,861,507
20	Taxes other than Income	9,732,351	-	9,732,351	-	-	9,732,351	-	9,732,351
21	Total Operating Expense								
22	Before Income Taxes	118,646,813	(48,000)	118,598,813	440,748	2	119,039,563	(23,253)	119,016,310
23	State Income Tax	150,728	5,865	156,593	1,490,353	22	1,646,968	(78,628)	1,568,340
24	Federal Income Tax	2,936,385	47,935	2,984,320	12,179,269	(6)	15,163,583	(642,548)	14,521,035
25	Deferred Taxes and ITCs Net	(2,202,233)	-	(2,202,233)	-	-	(2,202,233)	-	(2,202,233)
26	Total Operating Expenses	119,531,693	5,800	119,537,493	14,110,370	18	133,647,881	(744,429)	132,903,452
27	NET OPERATING INCOME	\$ 15,004,696	\$ (5,800)	\$ 14,998,896	\$ 22,618,646	\$ (18)	\$ 37,617,524	\$ (1,193,301)	\$ 36,424,223

⁸ Staff Rate Base (Appendix A, Schedule 3-Z1, Column (d))

\$ 441,663,536

8.25%

\$ 34,791,286 25.86%

²⁹ Staff Overall Rate of Return (ICC Staff Exhibit 10.0, Schedule 10.1)

³⁰ Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3)

Percentage Revenue Change (Col. (i), Line 30 divided by Col. (d), Line 3)

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Illinois-American Water Company Zone 1

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

		Company Rebuttal Case		Company Surebuttal Adjustment		Interest Syn	zation	Company Surrebuttal Case		
Line No.	Description	Pro Forma Adjusted (Co. Ex. 6.01 R1)		U. S. Steel Revenue (IAWC Ex. 6.02 SR)		Staff Rebuttal (Appendix A Sch. 5-Z1)	;	Company Surrebuttal AWC Ex. 6.02 SR)	Pro Forma Adjusted (Co. Ex. 6.01 SR)	
	(a)	(b)		(c)		(d)		(e)		(f)
1 2	Tariff Revenue Other Revenue	\$ 130,691,510 2,142,198	\$	1,702,681	\$	<u>-</u>	\$	- -	\$	132,394,191 2,142,198
3	Total Operating Revenue	132,833,708		1,702,681		-		-		134,536,389
4 5	Uncollectible Accounts Expense Labor	1,476,241 18,434,289		- -		- -		-		1,476,241 18,434,289
6	Fuel & Power	7,079,807		199,490		-		-		7,279,297
7	Chemicals	7,368,784		207,633		-		-		7,576,417
8	Waste Disposal	996,132		=		=		=		996,132
9	Management Fees	16,304,347		=		=		=		16,304,347
10	Group Insurance	5,103,169		-		=		-		5,103,169
11	Pensions	3,235,530		=		=		=		3,235,530
12	Regulatory Expense	1,034,099		-		-		-		1,034,099
13	Insurance - other	2,871,701		-		=		-		2,871,701
14	Customer Accounting	2,050,444		20,432		-		-		2,070,876
15	Rents	603,659		-		=		-		603,659
16	General Office Expense	1,516,790		-		-		-		1,516,790
17	Maintenance - other	5,834,843		-		-		-		5,834,843
18	Miscellaneous	6,715,565		-		-		-		6,715,565
19	Depreciation & Amortization	27,861,507		-		-		-		27,861,507
20	Taxes other than Income	9,732,351		<u>-</u>		=		=		9,732,351
21	Total Operating Expense									
22	Before Income Taxes	118,219,258		427,555		-		-		118,646,813
23	State Income Tax	98,708		52,369		8,185		(8,534)		150,728
24	Federal Income Tax	2,511,273		427,965		66,890		(69,743)		2,936,385
25	Deferred Taxes and ITCs Net	(2,202,233)		<u> </u>	_	<u> </u>				(2,202,233)
26	Total Operating Expenses	118,627,006	_	907,889		75,075		(78,277)		119,531,693
27	NET OPERATING INCOME	\$ 14,206,702	\$	794,792	\$	(75,075)	\$	78,277	\$	15,004,696

Illinois-American Water Company Zone 1

Adjustments to Operating Income For the Test Year Ending December 31, 2010

Line No.	Description	Interest Synchronization (Appendix A Sch. 5-Z1)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue	-	-	-					· •
3	Total Operating Revenue	-		-	-				-
4	Uncollectible Accounts Expense	-	-	-	-				_
5	Labor	-	-	-					<u>-</u>
6	Fuel & Power	-	-	-	-				<u>-</u>
7	Chemicals	-	-	-	-				-
8	Waste Disposal	-	-	-	-				-
9	Management Fees	-	-	-	-				-
10	Group Insurance	-	-	-	-				-
11	Pensions	-	-	-	-				-
12	Regulatory Expense	-	(48,000)	-	-		-		(48,000)
13	Insurance - other	-	-	-	-		-		-
14	Customer Accounting	-	-	-	-		-		-
15	Rents	-	-	-	-				-
16	General Office Expense	-	-	-	-				-
17	Maintenance - other	-	-	-	-				-
18	Miscellaneous	-	-	-	-		-		-
19	Depreciation & Amortization	-	-	-	-				-
20	Taxes other than Income				· 	•	<u> </u>	·	·
21	Total Operating Expense								
22	Before Income Taxes	-	(48,000)	-	-			-	(48,000)
23	State Income Tax	3,894	1,971	-					5,865
24	Federal Income Tax	31,825	16,110	_					47,935
25	Deferred Taxes and ITCs Net	-	-	-	-				-
26	Total Operating Expenses	35,719	(29,919)						5,800
27	NET OPERATING INCOME	\$ (35.710)	\$ 20.010	¢ .	¢ .	\$ -	¢ -	¢ -	\$ (5,800)
27	NET OPERATING INCOME	\$ (35,719)	\$ 29,919	\$ -	\$ -	\$ -	\$ -	\$ -	=

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Illinois-American Water Company Zone 1

Rate Base

Line No.	Description (a)	Company Surrebuttal Case Pro Forma Present Adjusted (Appendix A, Sch 3-Z1, p. 2)			Staff Adjustments (Appendix A Sch 4-Z1)		Staff Pro Forma Rate Base (Col. b+c)
	(a)		(b)		(6)		(u)
1	Gross Utility Plant in Service	\$	819,265,902	\$	-	\$	819,265,902
2	Less: Accumulated Depreciation		(279,262,964)		-		(279,262,964)
3	Net Utility Plant in Service		540,002,938		-		540,002,938
4	Construction Work in Progress	\$	_	\$	_	\$	_
5	Utility Plant Acquisition Adj DuPage	Ψ	-	Ψ	<u>.</u>	Ψ	-
ŭ	Canaly France Frague Dan ago						
6	Additions to Rate Base						
7	Cash Working Capital		2,660,000		75,000		2,735,000
8	Materials & Supplies		2,670,964		-		2,670,964
9	Deferred Charges - Tank Painting		7,006,640		-		7,006,640
10	FAS 109 Reg. Asset-Net of Liability		(77,017)		-		(77,017)
11		-	-		-		-
12		-	-		-		-
13		-	-		-		-
14		-	-		-		-
15	Deductions From Rate Base		-		-		
16	Customer Advances		(52,061,456)		-		(52,061,456)
17	Pension Liability		(2,904,726)		-		(2,904,726)
18	OPEB Liability		(1,670,750)		-		(1,670,750)
19	Contributions in Aid of Construction		(45,880,407)		-		(45,880,407)
20	Accum. Depr. On CIAC		15,757,468		-		15,757,468
21	Budget Payment Plan		(11,623)		-		(11,623)
22	Deferred Federal Income Taxes		(23,099,400)		-		(23,099,400)
23	Deferred State Income Taxes		(801,230)		-		(801,230)
24	Investment Tax Credit - pre 1971		(2,865)				(2,865)
25	Rate Base	\$	441,588,536	\$	75,000	\$	441,663,536

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Illinois-American Water Company Zone 1

Rate Base

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted AWC Ex. 6.03 R1 FR)	Compa Surrebu Adjustme (IAWC Ex SR)	ttal ents	Company irrebuttal Case Pro Forma Adjusted AWC Ex. 6.03 SR)
	(a)	 (b)	(c)		 (d)
1	Gross Utility Plant in Service	\$ 819,265,902	\$	-	\$ 819,265,902
2	Less: Accumulated Depreciation	 (279,262,964)	-	-	(279,262,964)
3	Net Utility Plant in Service	540,002,938		-	540,002,938
4	Construction Work in Progress	\$ -		-	\$ -
5	Utility Plant Acquisition Adj DuPage	-		-	-
6	Additions to Rate Base				
7	Cash Working Capital	2,396,000	:	264,000	2,660,000
8	Materials & Supplies	2,670,964		-	2,670,964
9	Deferred Charges - Tank Painting	7,006,640		-	7,006,640
10	FAS 109 Reg. Asset-Net of Liability	(77,017)		-	(77,017)
11		-		-	-
12		-		-	-
13		-		-	-
14		-		-	-
15	Deductions From Rate Base	-		-	-
16	Customer Advances	(52,061,456)		-	(52,061,456)
17	Pension Liability	(2,904,726)		-	(2,904,726)
18	OPEB Liability	(1,670,750)		-	(1,670,750)
19	Contributions in Aid of Construction Accum. Depr. On CIAC	(45,880,407)		-	(45,880,407)
20 21	Budget Payment Plan	15,757,468 (11,623)		-	15,757,468 (11,623)
22	Deferred Federal Income Taxes	(23,099,400)		_	(23,099,400)
23	Deferred State Income Taxes	(801,230)			(801,230)
		, , ,		-	, , ,
24	Investment Tax Credit - pre 1971	 (2,865)			 (2,865)
25	Rate Base	\$ 441,324,536	\$	264,000	\$ 441,588,536

Illinois-American Water Company Zone 1

Adjustments to Rate Base For the Test Year Ending December 31, 2010

Line No.		(A	sh Working Capital ppendix A ch. 7-Z1)	(3)	Source)		(Source)	<u>(S</u>	Source) (f)	<u>(Sou</u>		(Source	·)	(Source)		Total Rate Base Adjustments
												_				
1	Gross Utility Plant in Service Less: Accumulated Depreciation	\$	-	\$	-	\$	-	\$	-	\$	-	\$	- \$	-	\$	-
2	•						<u>-</u>		-				<u> </u>			-
3	Net Utility Plant in Service		-		-		-		-		-		-		-	-
4	Construction Work in Progress				_		_		-		_		-		_	-
5	Utility Plant Acquisition Adj DuPage		-		-		-		-		-		-		-	-
6	Additions to Rate Base															
7	Cash Working Capital		75,000		_		_		_		_		_		_	75,000
8	Materials & Supplies				_		_		_		_		_		_	
9	Deferred Charges - Tank Painting		_		_				_		_		_		_	_
10	FAS 109 Reg. Asset-Net of Liability		_		-		-		-		-		-		-	-
11	,	-	-		-		-		-		-		-		-	-
12		-	-		-		-		-		-		-		-	-
13		-	-		-		-		-		-		-		-	-
14		-	-		-		-		-		-		-		-	-
15	Deductions From Rate Base		-		-		-		-		-		-		-	-
16	Customer Advances															
17	Pension Liability		-		-		-		-		-		-		-	-
18	OPEB Liability		-		-		-		-		-		-		-	-
19	Contributions in Aid of Construction		-		-		-		-		-		-		-	-
20	Accum. Depr. On CIAC		-		-		-		-		-		-		-	-
21	Budget Payment Plan		-		-		-		-		-		-		-	-
22	Deferred Federal Income Taxes		-		-		-		-		-		-		-	-
23	Deferred State Income Taxes		-		-		-		-		-		-		-	-
24	Investment Tax Credit - pre 1971					-	<u>-</u>		-						- —	<u>-</u>
25	Rate Base	\$	75,000	\$	-	\$		\$		\$		\$	- \$	-	\$	75,000

Illinois-American Water Company Zone 1

Interest Synchronization Adjustment For the Test Year Ending December 31, 2010

Line			
No.	Description	Amount	
	(a)	(b)	
1	Gross Utility Plant in Service	\$ 441,663,536 ((1)
2	Weighted Cost of Debt	3.20% ((2)
3	Synchronized Interest Per Staff	14,124,329	
4	Company Interest Expense	14,219,151 ((3)
5	Increase (Decrease) in Interest Expense	(94,822)	
6	Increase (Decrease) in State Income Tax Expense		
7	at 4.107%	<u>\$ 3,894</u>	
8	Increase (Decrease) in Federal Income Tax Expense		
9	at 35.000%	\$ 31,825	

(1) Source: Appendix A, Sch 3-Z1 Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. $6.05~\mathrm{SR}$

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Illinois-American Water Company Zone 1

Gross Revenue Conversion Factor For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	0.012000	
3	State Taxable Income		0.988000	1.000000
4 5	State Income Tax Federal Taxable Income	4.1070%	0.040577 0.947423	<u>0.041070</u> 0.958930
6	Federal Income Tax	35.0000%	0.331598	0.335626
7	Operating Income		<u>0.615825</u>	0.623304
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

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Illinois-American Water Company Zone 1

Cash Working Capital Adjustment For the Test Year Ending December 31, 2010

Line			W	Av	verage Daily Amount	Expense	I	Cash Requirement	
No.	ltem		Amount (1)		(C)/365	(Lead)/Lag (2)		(D)*(E)	Source
(A)	(B)		(C)		(D)	(E)		(F)	(G)
1	Revenue	\$	169,786,501						Appendix A, Sch 7-Z1, page 2, line 3
2	Return on Equity	Ψ	(22,295,599)						Appendix A, Sch 7-Z1, page 2, line 19
3	Non-cash OPEB expenses		(22,293,399)						Appendix A, Oct 7-21, page 2, line 13
4	Uncollectible Accounts		(1,893,738)						
5	Total Depr/Amortization		(29,643,792)						Appendix A, Sch 7-Z1, page 2, line 13
6	Total Depli/Amortization		(29,043,792)						Appendix A, Oct 7-21, page 2, line 13
7	Net Revenues	\$	115,953,372	\$	317,680	45.97	\$	14,602,661	
8	11011101011000		110,000,012	Ψ	317,000	40.07	Ψ	14,002,001	
9	Labor	\$	18,434,289		50,505	(12.00)		(606,061)	
10	Fuel and Power	Ψ	7,279,297		19,943	(27.02)		(538,867)	
11	Chemicals		7,576,417		20,757	(25.51)		(529,519)	
12	Purchased Water		458,826		1,257	(7.83)		(9,843)	Co. Sch. C-2.9, line 1
13	Waste Disposal		996,132		2,729	(28.74)		(78,432)	CO. Com. C 2.0, iii C 1
14	Service Company Charges		16,304,347		44,669	11.08		494,937	
15	Group Insurance		5,103,169		13,981	7.42		103,692	
16	OPEB's		0,100,100		-	-		100,002	
17	Pensions		3,235,530		8,864	(8.00)		(70,916)	
18	Insurance Other than Group		2,871,701		7,868	0.00		(, 0,0.0)	
19	Customer Accounting		2,070,876		5,674	(33.59)		(190,577)	
20	Rents		603,659		1,654	8.00		13,223	
21	General Office		1,516,790		4,156	(17.04)		(70,811)	
22	Maintenance		5,038,657		13,805	(24.61)		(339,730)	Appendix A, Sch 7-Z1, page 2, line 16
23	Miscellaneous		6,715,565		18,399	(16.82)		(309,509)	
24			-, -,		-,	(/		(//	
25	Total O&M Expenses	\$	78,205,255					(2,132,412)	
26		=====							
27	General Taxes		9,732,351		26,664	(151.67)		(4,044,125)	
28	Federal Income Tax - Current		14,521,035		39,784	(52.46)		(2,087,051)	
29	State Income Tax - Current		1,568,340		4,297	(52.45)		(225,368)	
30	Deferred Income Taxes		(2,202,233)		(6,034)	` -		-	
31	Interest Expense		14,124,329		38,697	(87.30)		(3,378,230)	Appendix A, Sch 5-Z1, line 3
32						, ,			
33	Subtotal Other Expenses	\$	37,743,822					(9,734,774)	
34									
35	Total Cash Working Capital Requirement						\$	2,735,475	Line 7 + Line 25 + Line 33
36							-		
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$	2,735,000						Line 35
38	Cash Working Capital per Company		2,660,000						IAWC Ex. 6.09SR
39									
40	Staff Proposed adjustment	\$	75,000						

Source:

- (1) Appendix A, Sch 1-Z1, except where noted.(2) IAWC Ex. 6.09SR, except where noted.

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Illinois-American Water Company Zone 1

Cash Working Capital Adjustment For the Test Year Ending December 31, 2010

Line No. (A)	ltem (B)	 Amount (C)	Source (D)
1	Total operating revenue	\$ 169,327,675	Appendix A, Sch 1-Z1, line 3, column (i)
2	Surcharge revenue	458,826	Co. Sch. C-2.9, line 1
3	Total revenue	169,786,501	Line 1 + Line 2
4 5			
6 7 8 9			
10	Depr/amortization per Income Statement	\$ 27,861,507	Appendix A, Sch1-Z1, line 19, column (i)
11	Amortization of rate case expense	986,099	Appendix A, Sch1-Z1, line 12, column (i)
12	Reclassify amortization of tank painting	796,186	IAWC Ex. 6.14 R1
13	Total depr/amortization for CWC	29,643,792	Sum of lines 10 through 12
14	Maintenance-other per Income Statement	\$ 5,834,843	Appendix A, Sch1-Z1, line 17, column (i)
15	Reclassify amortization of tank painting	796,186	Line 12
16	Total Maintenance-other for CWC	5,038,657	Line 14 - Line 15
17	Total Rate Base	\$ 441,663,536	Appendix A, Sch1-Z1, line 29, column (i)
18	Weighted Cost of Capital	5.0481%	Staff Ex. 10.0, Sch. 10.1
19	Return on equity deduction from revenue	22,295,599	Line 17 * Line 18

Illinois-American Water Company Chicago Metro - Water

Statement of Operating Income with Adjustments

For the Test Year Ending December 31, 2010

Line No.	Description	Company Surrebuttal Case Pro Forma Present Adjusted (Appendix A (Sch. 1-CMW, p. 2)	Staff Adjustments (Appendix A Sch. 2-CMW)	Staff Pro Forma Present (Cols. b+c)	Company Proposed Increase (Company (IAWC Ex. 6.01 SR)	Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Pro Forma Proposed (Cols. g+h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 2	Tariff Revenue Other Revenue	\$ 25,950,448 859,679	\$	\$ 25,950,448 859,679	\$ 8,611,537	\$ -	\$ 34,561,985 859,679	\$ (435,372)	\$ 34,126,613 859,679
3	Total Operating Revenue	26,810,127	-	26,810,127	8,611,537	-	35,421,664	(435,372)	34,986,292
4	Uncollectible Accounts Expense	546,529	-	546,529	103,338	-	649,867	(5,224)	644,643
5	Labor	4,014,995	-	4,014,995	-	-	4,014,995	-	4,014,995
6	Fuel & Power	310,974	-	310,974	-	-	310,974	-	310,974
7	Chemicals	28,326	-	28,326	-	-	28,326	-	28,326
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Management Fees	3,342,187	-	3,342,187	-	-	3,342,187	-	3,342,187
10	Group Insurance	1,086,785	-	1,086,785	-	-	1,086,785	-	1,086,785
11	Pensions	647,841	-	647,841	-	-	647,841	-	647,841
12	Regulatory Expense	124,787	(6,000)	118,787	-	-	118,787	-	118,787
13	Insurance - other	345,493	-	345,493	-	-	345,493	-	345,493
14	Customer Accounting	372,221	-	372,221	-	-	372,221	-	372,221
15	Rents	554,394	-	554,394	-	-	554,394	-	554,394
16	General Office Expense	509,813	-	509,813	-	-	509,813	-	509,813
17	Maintenance - other	2,143,921	-	2,143,921		-	2,143,921	-	2,143,921
18	Miscellaneous	1,588,791	-	1,588,791	-	-	1,588,791	-	1,588,791
19	Depreciation & Amortization	6,264,777	-	6,264,777	-	-	6,264,777	-	6,264,777
20	Taxes other than Income	1,729,358		1,729,358			1,729,358		1,729,358
21	Total Operating Expense								
22	Before Income Taxes	23,611,192	(6,000)	23,605,192	103,338	-	23,708,530	(5,224)	23,703,306
23	State Income Tax	4,558	1,144	5,702	349,430	-	355,132	(17,666)	337,466
24	Federal Income Tax	240,993	9,352	250,345	2,855,569	-	3,105,914	(144,369)	2,961,545
25	Deferred Taxes and ITCs Net	(265,750)		(265,750)			(265,750)		(265,750)
26	Total Operating Expenses	23,590,993	4,496	23,595,489	3,308,337		26,903,826	(167,259)	26,736,567
27	NET OPERATING INCOME	\$ 3,219,134	\$ (4,496)	\$ 3,214,638	\$ 5,303,200	<u> </u>	\$ 8,517,838	\$ (268,113)	\$ 8,249,725

⁸ Staff Rate Base (Appendix A, Schedule 3-CMW, Column (d))

\$ 100,032,409

8.25%

\$ 8,176,165 30.50%

²⁹ Staff Overall Rate of Return (ICC Staff Exhibit 10.0, Schedule 10.1)

³⁰ Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3)

³¹ Percentage Revenue Change (Col. (i), Line 30 divided by Col. (d), Line 3)

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Illinois-American Water Company Chicago Metro - Water

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

		Company Rebuttal Case	Company Surebuttal Adjustment	Interest Syr	nchronization	Company Surrebuttal Case	
Line No.	No. Description 6.01 R1) Applicable		,	Staff Rebuttal (Appendix A Sch. 5-CMW)	Company Surrebuttal (IAWC Ex. 6.02 SR)	Pro Forma Adjusted (Co. Ex. 6.01 SR)	
	(a)	(b)	(c)	(d)	(e)	(f)	
1	Tariff Revenue	\$ 25,950,448	\$ -	\$ -	\$ -	\$ 25,950,448	
2	Other Revenue	859,679	-			859,679	
3	Total Operating Revenue	26,810,127	-	-	-	26,810,127	
4	Uncollectible Accounts Expense	546,529	-	-	-	546,529	
5	Labor	4,014,995	-	-	-	4,014,995	
6	Fuel & Power	310,974	-	-	-	310,974	
7	Chemicals	28,326	-	-	-	28,326	
8	Waste Disposal	-	-	-	-	-	
9	Management Fees	3,342,187	-	-	-	3,342,187	
10	Group Insurance	1,086,785	-	-	-	1,086,785	
11	Pensions	647,841	-	-	-	647,841	
12	Regulatory Expense	124,787	-	-	-	124,787	
13	Insurance - other	345,493	-	-	-	345,493	
14	Customer Accounting	372,221	-	-	-	372,221	
15	Rents	554,394	-	-	-	554,394	
16	General Office Expense	509,813	-	-	-	509,813	
17	Maintenance - other	2,143,921	-	-	-	2,143,921	
18	Miscellaneous	1,588,791	-	-	-	1,588,791	
19	Depreciation & Amortization	6,264,777	-	-	-	6,264,777	
20	Taxes other than Income	1,729,358				1,729,358	
21	Total Operating Expense						
22	Before Income Taxes	23,611,192	-	-	-	23,611,192	
23	State Income Tax	4,653	_	3,661	(3,756)	4,558	
24	Federal Income Tax	241,770	-	29,918	(30,695)	240,993	
25	Deferred Taxes and ITCs Net	(265,750)	-	-	-	(265,750)	
26	Total Operating Expenses	23,591,865	-	33,579	(34,451)	23,590,993	
27	NET OPERATING INCOME	\$ 3,218,262	\$ (38,719)	\$ (415,258)	\$ (8,343)	\$ 3,219,134	

Illinois-American Water Company Chicago Metro - Water

Adjustments to Operating Income For the Test Year Ending December 31, 2010

Line No.	Description	Interest Synchronization (Appendix A Sch. 5-CMW)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue								
3	Total Operating Revenue		-	-	-	-	-	-	-
4	Uncollectible Accounts Expense	-	-	-	-		-	-	-
5	Labor	-	-	-	-		-	-	-
6	Fuel & Power	-	-	-	-		-	-	-
7	Chemicals	-	-	-	-		-	-	-
8	Waste Disposal	-	-	-	-		-	-	-
9	Management Fees	-	-	-	-		-	-	-
10	Group Insurance	-	-	-	-		-	-	-
11	Pensions	-	-	-	-		-	-	-
12	Regulatory Expense	-	(6,000)	-	-		-	-	(6,000)
13	Insurance - other	-	-	-	-		-	-	-
14	Customer Accounting	-	-	-	-		-	-	-
15	Rents	-	-	-	-		-	-	-
16	General Office Expense	-	-	-	-		-	-	-
17	Maintenance - other	-	-	-	-		-	-	-
18	Miscellaneous	-	-	-	-		-	-	-
19	Depreciation & Amortization	-	-	-	-		-	-	-
20	Taxes other than Income					<u> </u>	<u> </u>		
21	Total Operating Expense								
22	Before Income Taxes	-	(6,000)	-	-		-	-	(6,000)
23	State Income Tax	898	246	-	-		-	-	1,144
24	Federal Income Tax	7,338	2,014	-	-		-	-	9,352
25	Deferred Taxes and ITCs Net					<u> </u>	<u> </u>		
26	Total Operating Expenses	8,236	(3,740)			·			4,496
27	NET OPERATING INCOME	\$ (8,236)	\$ 3,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,496)

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Illinois-American Water Company Chicago Metro - Water Rate Base

Line No.	Description (a)	Pre	Company rrebuttal Case Pro Forma esent Adjusted Appendix A, a 3-CMW, p. 2)		Staff Adjustments (Appendix A Sch 4-CMW)		Staff Pro Forma Rate Base (Col. b+c)
	,		,		. ,		,
1	Gross Utility Plant in Service	\$	220,089,836	\$	-	\$	220,089,836
2	Less: Accumulated Depreciation		(74,355,599)	_	-	_	(74,355,599)
3	Net Utility Plant in Service		145,734,237		-		145,734,237
4	Construction Work in Progress	\$	-	\$	-	\$	-
5	Utility Plant Acquisition Adj DuPage		90,972		-		90,972
6	Additions to Rate Base						
7	Cash Working Capital		1,933,000		5,000		1,938,000
8	Materials & Supplies		152,706		-		152,706
9	Deferred Charges - Tank Painting		2,658,010		-		2,658,010
10	FAS 109 Reg. Asset-Net of Liability		(9,294)		-		(9,294)
11		-	-		-		-
12		-	-		-		-
13		-	-		-		-
14		-	-		-		-
15	Deductions From Rate Base		-		-		
16	Customer Advances		(25,046,981)		-		(25,046,981)
17	Pension Liability		(584,102)		-		(584,102)
18	OPEB Liability		(201,614)		-		(201,614)
19	Contributions in Aid of Construction		(31,943,442)		-		(31,943,442)
20	Accum. Depr. On CIAC		13,873,964		-		13,873,964
21	Budget Payment Plan		(0.407.454)		-		(0.407.454)
22	Deferred Federal Income Taxes		(6,407,451)		-		(6,407,451)
23	Deferred State Income Taxes		(222,250)		-		(222,250)
24	Investment Tax Credit - pre 1971		(346)	_		_	(346)
25	Rate Base	\$	100,027,409	\$	5,000	\$	100,032,409

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Illinois-American Water Company Chicago Metro - Water Rate Base

Line No.	Description	Company ebuttal Case Pro Forma Adjusted AWC Ex. 6.03 R1 FR)	Surr Adjus (IAWC	mpany ebuttal stments C Ex. 6.04 SR)	Company rrebuttal Case Pro Forma Adjusted AWC Ex. 6.03 SR)
	(a)	(b)		(c)	(d)
1	Gross Utility Plant in Service	\$ 220,089,836	\$	-	\$ 220,089,836
2	Less: Accumulated Depreciation	 (74,355,599)		_	 (74,355,599)
3	Net Utility Plant in Service	145,734,237		-	145,734,237
4	Construction Work in Progress	\$ -		-	\$ -
5	Utility Plant Acquisition Adj DuPage	90,972		-	90,972
6	Additions to Rate Base				
7	Cash Working Capital	1,861,000		72,000	1,933,000
8	Materials & Supplies	152,706		-	152,706
9	Deferred Charges - Tank Painting	2,658,010		-	2,658,010
10	FAS 109 Reg. Asset-Net of Liability	(9,294)		-	(9,294)
11		-		-	-
12		-		-	-
13		-		-	-
14		-		-	-
15	Deductions From Rate Base	-		-	-
16	Customer Advances	(25,046,981)		-	(25,046,981)
17	Pension Liability	(584,102)		-	(584,102)
18	OPEB Liability	(201,614)		-	(201,614)
19	Contributions in Aid of Construction Accum. Depr. On CIAC	(31,943,442)		-	(31,943,442)
20 21	Budget Payment Plan	13,873,964		-	13,873,964
22	Deferred Federal Income Taxes	(6,407,451)		-	- (6,407,451)
	Deferred State Income Taxes	,			
23		(222,250)		-	(222,250)
24	Investment Tax Credit - pre 1971	 (346)			 (346)
25	Rate Base	\$ 99,955,409	\$	72,000	\$ 100,027,409

Illinois-American Water Company Chicago Metro - Water

Adjustments to Rate Base For the Test Year Ending December 31, 2010

Cash Working Capital Total Line (Appendix A Rate Base Sch. 7-CMW) (Source) No. Description (Source) (Source) (Source) (Source) (Source) Adjustments (a) (d) (e) (f) (g) (i) Gross Utility Plant in Service \$ \$ Less: Accumulated Depreciation Net Utility Plant in Service Construction Work in Progress Utility Plant Acquisition Adj. - DuPage Additions to Rate Base Cash Working Capital 5,000 5,000 Materials & Supplies 8 Deferred Charges - Tank Painting 9 FAS 109 Reg. Asset-Net of Liability 10 11 12 13 14 **Deductions From Rate Base** 15 **Customer Advances** 16 Pension Liability 17 18 **OPEB Liability** Contributions in Aid of Construction 19 Accum. Depr. On CIAC 20 **Budget Payment Plan** Deferred Federal Income Taxes 22 23 Deferred State Income Taxes Investment Tax Credit - pre 1971 24 Rate Base 5,000 5,000 25

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Illinois-American Water Company Chicago Metro - Water

Interest Synchronization Adjustment For the Test Year Ending December 31, 2010

Line			
No.	Description	Amount	
	(a)	(b)	
1	Gross Utility Plant in Service	\$ 100,032,409	(1)
2	Weighted Cost of Debt	3.20%	(2)
3	Synchronized Interest Per Staff	3,199,020	
4	Company Interest Expense	3,220,883	(3)
5	Increase (Decrease) in Interest Expense	(21,863)	
6	Increase (Decrease) in State Income Tax Expense		
7	at 4.107%	\$ 898	
8	Increase (Decrease) in Federal Income Tax Expense		
9	at 35.000%	\$ 7,338	

(1) Source: Appendix A, Sch 3-CMW, Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

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Illinois-American Water Company Chicago Metro - Water

Gross Revenue Conversion Factor For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	0.012000	
3	State Taxable Income		0.988000	1.000000
4 5	State Income Tax Federal Taxable Income	4.1070%	<u>0.040577</u> 0.947423	0.041070 0.958930
6	Federal Income Tax	35.0000%	0.331598	0.335626
7	Operating Income		<u>0.615825</u>	0.623304
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

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Illinois-American Water Company Chicago Metro - Water

Cash Working Capital Adjustment For the Test Year Ending December 31, 2010

Line No.	ltem		Amount (1)	erage Daily Amount (C)/365	Expense (Lead)/Lag ⁽²⁾	F	Cash Requirement (D)*(E)	Source
(A)	(B)		(C)	 (D)	(E)		(F)	(G)
1	Revenue	\$	54,588,847					Appendix A, Sch 7-CMW, page 2, line 3
2	Return on Equity		(5,049,732)					Appendix A, Sch 7-CMW, page 2, line 19
3	Non-cash OPEB expenses		-					
4	Uncollectible Accounts		(644,643)					
5	Total Depr/Amortization		(6,608,875)					Appendix A, Sch 7-CMW, page 2, line 13
6								
7	Net Revenues	\$	42,285,597	\$ 115,851	49.80	\$	5,769,481	
8								
9	Labor	\$	4,014,995	11,000	(12.00)		(132,000)	
10	Fuel and Power		310,974	852	(28.51)		(24,290)	
11	Chemicals		28,326	78	(59.65)		(4,629)	
12	Purchased Water		19,602,555	53,706	(25.08)		(1,346,937)	Co. Sch. C-2.9, line 1
13	Waste Disposal		-	-			-	
14	Service Company Charges		3,342,187	9,157	11.08		101,456	
15	Group Insurance		1,086,785	2,977	7.42		22,082	
16	OPEB's		-	-	-		-	
17	Pensions		647,841	1,775	(8.00)		(14,199)	
18	Insurance Other than Group		345,493	947	0.00		-	
19	Customer Accounting		372,221	1,020	(46.38)		(47,298)	
20	Rents		554,394	1,519	8.00		12,144	
21	General Office		509,813	1,397	(16.80)		(23,465)	A A
22	Maintenance		1,918,610	5,256	(23.96)		(125,945)	Appendix A, Sch 7-CMW, page 2, line 16
23 24	Miscellaneous		1,588,791	4,353	(16.82)		(73,225)	
24 25	Total O&M Expenses	¢.	34,322,985				(1,656,306)	
26	Total Odivi Experises	φ	34,322,900				(1,030,300)	
26 27	General Taxes		4 700 050	4.700	(400.75)		(000,000)	
28	Federal Income Tax - Current		1,729,358 2,961,545	4,738 8,114	(189.75) (53.96)		(899,029) (437,822)	
28 29	State Income Tax - Current		337,466	925	(53.96)		(49,889)	
30	Deferred Income Taxes		(265,750)	(728)	(55.90)		(49,009)	
31	Interest Expense		3,199,020	8,764	(90.00)		(788,799)	Appendix A, Sch 5-CMW, line 3
32	interest Expense		3,199,020	0,704	(90.00)		(700,799)	Appendix A, 301 3-01111V, line 3
33	Subtotal Other Expenses	\$	7,961,639				(2,175,540)	
34	Cubicital Cities Experience		7,001,000				(2,170,040)	
34 35	Total Cash Working Capital Requirement					\$	1,937,635	Line 7 + Line 25 + Line 33
36	Total Oash Working Capital Nequilement					Ψ	1,551,055	LING 1 T LING 20 T LING 30
36 37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$	1,938,000					Line 35
37 38	Cash Working Capital per Staff (Rounded to flearest \$1,000) Cash Working Capital per Company	Φ	1,933,000					IAWC Ex. 6.09SR
39	Cash working Capital per Company		1,933,000					IAVVO LA. 0.093R
40	Staff Proposed adjustment	\$	5,000					

Source:

- (1) Appendix A, Sch 1-CMW, except where noted.(2) IAWC Ex. 6.09SR, except where noted.

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Illinois-American Water Company Chicago Metro - Water

Cash Working Capital Adjustment

Line No. (A)	(B)	 Amount (C)	Source (D)
1	Total operating revenue	\$ 34,986,292	Appendix A, Sch 1-CMW, line 3, column (i)
2	Surcharge revenue	 19,602,555	Co. Sch. C-2.9, line 1
3	Total revenue	\$ 54,588,847	Line 1 + Line 2
4			
5			
6			
7			
8		 	
9			
10	Depr/amortization per Income Statement	\$ 6,264,777	Appendix A, Sch 1-CMW, line 19, column (i)
11	Amortization of rate case expense	118,787	Appendix A, Sch 1-CMW, line 12, column (i)
12	Reclassify amortization of tank painting	 225,311	IAWC Ex. 6.14 R1
13	Total depr/amortization for CWC	\$ 6,608,875	Sum of lines 10 through 12
14	Maintenance-other per Income Statement	\$ 2,143,921	Appendix A, Sch 1-CMW, line 17, column (i)
15	Reclassify amortization of tank painting	225,311	Line 12
16	Total Maintenance-other for CWC	\$ 1,918,610	Line 14 - Line 15
17	Total Rate Base	\$ 100,032,409	Appendix A, Sch 1-CMW, line 29, column (i)
18	Weighted Cost of Capital	 5.0481%	Staff Ex. 10.0, Sch. 10.1
19	Return on equity deduction from revenue	\$ 5,049,732	Line 17 * Line 18

Illinois-American Water Company Chicago Metro - Sewer

Statement of Operating Income with Adjustments

For the Test Year Ending December 31, 2010

Line No.	Description	Sur I Pre (<i>F</i>	Company rebuttal Case Pro Forma sent Adjusted Appendix A . 1-CMS, p. 2)	 Staff Adjustments (Appendix A Sch. 2-CMS)	Staff Pro Forma Present (Cols. b+c)	Company Proposed Increase (Company (IAWC Ex. 6.01 SR)	 Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments Cols. d+e+f)	F	djustment To Proposed Increase	Staff Pro Forma Proposed Cols. g+h)
	(a)		(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)
1 2	Tariff Revenue Other Revenue	\$	10,482,493 441,714	\$ - -	\$ 10,482,493 441,714	 2,209,949	\$ 	\$ 12,692,442 441,714	\$	(129,505)	\$ 12,562,937 441,714
3	Total Operating Revenue		10,924,207	-	10,924,207	2,209,949	-	13,134,156		(129,505)	13,004,651
4	Uncollectible Accounts Expense		137,121	-	137,121	26,519	-	163,640		(1,554)	162,086
5	Labor		571,650	-	571,650	-	-	571,650		-	571,650
6	Fuel & Power		1,118,715	-	1,118,715	-	-	1,118,715		-	1,118,715
7	Chemicals		55,643	-	55,643	-	-	55,643		-	55,643
8	Waste Disposal		460,385	-	460,385	-	-	460,385		-	460,385
9	Management Fees		-	-	-	-	-	-		-	-
10	Group Insurance		117,433	-	117,433	-	-	117,433		-	117,433
11	Pensions		87,546	-	87,546	-	-	87,546		-	87,546
12	Regulatory Expense		87,189	(4,000)	83,189	-	-	83,189		-	83,189
13	Insurance - other		241,398	-	241,398	-	-	241,398		-	241,398
14	Customer Accounting		-	-	-	-	-	-		-	-
15	Rents		362	-	362	-	-	362		-	362
16	General Office Expense		98,248	-	98,248	-	-	98,248		-	98,248
17	Maintenance - other		286,183	-	286,183		-	286,183		-	286,183
18	Miscellaneous		732,197	-	732,197	-	-	732,197		-	732,197
19	Depreciation & Amortization		3,296,715	-	3,296,715	-	-	3,296,715		-	3,296,715
20	Taxes other than Income		517,290	 <u>-</u>	 517,290	<u> </u>	 	517,290		<u> </u>	517,290
21	Total Operating Expense	<u>-</u>					 			<u> </u>	
22	Before Income Taxes		7,808,075	(4,000)	7,804,075	26,519	-	7,830,594		(1,554)	7,829,040
23	State Income Tax		66,637	5,374	72,011	89,673	-	161,684		(5,255)	156,429
24	Federal Income Tax		690,388	43,916	734,304	732,815	-	1,467,119		(42,944)	1,424,175
25	Deferred Taxes and ITCs Net		(185,681)	-	(185,681)	-	-	(185,681)		-	(185,681)
26	Total Operating Expenses		8,379,419	45,290	8,424,709	849,007	-	9,273,716		(49,753)	9,223,963
27	NET OPERATING INCOME	\$	2,544,788	\$ (45,290)	\$ 2,499,498	\$ 1,360,942	\$ 	\$ 3,860,440	\$	(79,752)	\$ 3,780,688

Staff Rate Base (Appendix A, Schedule 3-CMS, Column (d))

45,842,899 8.25%

0.23%

\$ 2,080,444 19.04%

²⁹ Staff Overall Rate of Return (ICC Staff Exhibit 10.0, Schedule 10.1)

³⁰ Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3)

Percentage Revenue Change (Col. (i), Line 30 divided by Col. (d), Line 3)

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Illinois-American Water Company Chicago Metro - Sewer

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

		Company Rebuttal Case	Company Surebuttal Adjustment	Interest Syr	nchronization	Company Surrebuttal Case		
Line No.	Description	Pro Forma Adjusted (Co. Ex.		Staff Rebuttal (Appendix A Sch. 5-CMS)	Company Surrebuttal (IAWC Ex. 6.02 SR)	Pro Forma Adjusted (Co. Ex. 6.01 SR)		
	(a)	(b)	(c)	(d)	(e)	(f)		
1 2	Tariff Revenue Other Revenue	\$ 10,482,493 441,714	\$ -	\$ - 	\$ - 	\$ 10,482,493 441,714		
3	Total Operating Revenue	10,924,207	-	-	-	10,924,207		
4 5	Uncollectible Accounts Expense Labor	137,121 571,650	-	-	-	137,121 571,650		
6	Fuel & Power	1,118,715	-	-	-	1,118,715		
7	Chemicals	55,643	-	-	-	55,643		
8	Waste Disposal	460,385	-	-	-	460,385		
9	Management Fees	-	-	-	-	-		
10	Group Insurance	117,433	=	-	=	117,433		
11	Pensions	87,546	-	-	-	87,546		
12	Regulatory Expense Insurance - other	87,189	-	-	-	87,189		
13	Customer Accounting	241,398	-	-	-	241,398		
14	Rents	362	-	-	-	362		
15 16	General Office Expense	98,248	_	_	-	98,248		
17	Maintenance - other	286,183	_	_	_	286,183		
18	Miscellaneous	732,197	_	_	-	732,197		
19	Depreciation & Amortization	3,296,715	_	_	-	3,296,715		
20	Taxes other than Income	517,290	_	-	-	517,290		
21	Total Operating Expense							
22	Before Income Taxes	7,808,075	-	-	-	7,808,075		
23	State Income Tax	65,754	-	6,670	(5,787)	66,637		
24	Federal Income Tax	683,169	_	54,508	(47,289)	690,388		
25	Deferred Taxes and ITCs Net	(185,681)	-		-	(185,681)		
26	Total Operating Expenses	8,371,317	-	61,178	(53,076)	8,379,419		
27	NET OPERATING INCOME	\$ 2,552,890	\$ -	\$ (61,178)	\$ 53,076	\$ 2,544,788		

Illinois-American Water Company Chicago Metro - Sewer

Adjustments to Operating Income For the Test Year Ending December 31, 2010

Line No.	Description (a)	Synchronization (Appendix A Sch. 5-CMS) (b)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments (i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	s -	\$ -
2	Miscellaneous Revenue	-	-				. •	. •	
3	Total Operating Revenue	-	-	-	-	-	-		-
4	Uncollectible Accounts Expense	-	-						
5	Labor	-	-						
6	Fuel & Power	-	-						
7	Chemicals	-	-						· -
8	Waste Disposal	-	-						-
9	Management Fees	-	-						-
10	Group Insurance	-	-						-
11	Pensions	-	-						-
12	Regulatory Expense	-	(4,000)						(4,000)
13	Insurance - other	-	-						-
14	Customer Accounting	-	-						· -
15	Rents	-	-						-
16	General Office Expense	-	-						-
17	Maintenance - other	-	-	•					-
18	Miscellaneous	-	-						-
19	Depreciation & Amortization	-	-	•					-
20	Taxes other than Income					·	·	·	·
21	Total Operating Expense								
22	Before Income Taxes	-	(4,000)		-	-	-	-	(4,000)
23	State Income Tax	5,210	164						5,374
24	Federal Income Tax	42,573	1,343						43,916
25	Deferred Taxes and ITCs Net				<u> </u>				
26	Total Operating Expenses	47,783	(2,493)		·		<u> </u>		45,290
27	NET OPERATING INCOME	\$ (47,783)	\$ 2,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,290)

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Illinois-American Water Company Chicago Metro - Sewer Rate Base

Line No.		Company Surrebuttal Case Pro Forma Present Adjusted (Appendix A, Sch 3-CMS, p. 2)	Staff Adjustments (Appendix A Sch 4-CMS)			Staff Pro Forma Rate Base (Col. b+c)		
	(a)	(b)		(c)		(d)		
1	Gross Utility Plant in Service	\$ 132,459,200	\$	-	\$	132,459,200		
2	Less: Accumulated Depreciation	(49,948,342)		-		(49,948,342)		
3	Net Utility Plant in Service	82,510,858		-		82,510,858		
4	Construction Work in Progress	-	\$	-	\$	-		
5	Utility Plant Acquisition Adj DuPage	63,562		-		63,562		
6	Additions to Rate Base							
7	Cash Working Capital	126,000		1,000		127,000		
8	Materials & Supplies	16,289		-		16,289		
9	Deferred Charges - Tank Painting	-		-		-		
10	FAS 109 Reg. Asset-Net of Liability	(6,493)		-		(6,493)		
11		-		-		-		
12				-		-		
13				-		-		
14		-		-		-		
15	Deductions From Rate Base	- (4.007.700)		-		(4.007.700)		
16	Customer Advances	(1,397,730)		-		(1,397,730)		
17	Pension Liability	(78,933)		-		(78,933)		
18	OPEB Liability	(140,869)		-		(140,869)		
19 20	Contributions in Aid of Construction Accum. Depr. On CIAC	(58,360,510) 27,018,513		-		(58,360,510) 27,018,513		
21	Budget Payment Plan	21,010,313				21,010,313		
22	Deferred Federal Income Taxes	(3,777,518)		-		(3,777,518)		
23	Deferred State Income Taxes	(131,028)		_		(131,028)		
23 24	Investment Tax Credit - pre 1971	(131,020)		_		(131,028)		
∠4	investment rax credit - pre 1971	(242)	_	-	-	(242)		
25	Rate Base	\$ 45,841,899	\$	1,000	\$	45,842,899		

Docket No. 09-0319 Appendix A Schedule 3-CMS Page 2 of 2

Illinois-American Water Company Chicago Metro - Sewer Rate Base

Line No.			Company ebuttal Case Pro Forma Adjusted AWC Ex. 6.03 R1 FR)	Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)	Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)		
	(a)		(b)	(c)		(d)	
1	Gross Utility Plant in Service	\$	132,459,200	\$ -	\$	132,459,200	
2	Less: Accumulated Depreciation		(49,948,342)	 -		(49,948,342)	
3	Net Utility Plant in Service		82,510,858	-		82,510,858	
4	Construction Work in Progress	\$	-	-	\$	-	
5	Utility Plant Acquisition Adj DuPage		63,562	-		63,562	
6	Additions to Rate Base						
7	Cash Working Capital		123,000	3,000		126,000	
8	Materials & Supplies		16,289	-		16,289	
9	Deferred Charges - Tank Painting		-	-		-	
10	FAS 109 Reg. Asset-Net of Liability		(6,493)	-		(6,493)	
11			-	-		-	
12			-	-		-	
13			-	-		-	
14	Deductions From Rate Base		-	-		-	
15 16	Customer Advances		(1,397,730)	-		(1,397,730)	
17	Pension Liability		(78,933)	_		(78,933)	
18	OPEB Liability		(140,869)	_		(140,869)	
19	Contributions in Aid of Construction		(58,360,510)	_		(58,360,510)	
20	Accum. Depr. On CIAC		27,018,513	_		27,018,513	
21	Budget Payment Plan			_			
22	Deferred Federal Income Taxes		(3,777,518)	-		(3,777,518)	
23	Deferred State Income Taxes		(131,028)	-		(131,028)	
24	Investment Tax Credit - pre 1971	-	(242)	 <u>-</u>		(242)	
25	Rate Base	\$	45,838,899	\$ 3,000	\$	45,841,899	

1,000

Illinois-American Water Company Chicago Metro - Sewer

Adjustments to Rate Base For the Test Year Ending December 31, 2010

Cash Working Capital Total Line (Appendix A Rate Base Sch. 7-CMS) (Source) No. Description (Source) (Source) (Source) (Source) (Source) Adjustments (a) (d) (e) (f) (g) (i) Gross Utility Plant in Service \$ \$ Less: Accumulated Depreciation Net Utility Plant in Service Construction Work in Progress Utility Plant Acquisition Adj. - DuPage Additions to Rate Base Cash Working Capital 1,000 1,000 8 Materials & Supplies Deferred Charges - Tank Painting 9 FAS 109 Reg. Asset-Net of Liability 10 11 12 13 14 **Deductions From Rate Base** 15 **Customer Advances** 16 **Customer Advances** 17 18 Pension Liability Contributions in Aid of Construction 19 Accum. Depr. On CIAC 20 **Budget Payment Plan** 21 Deferred Federal Income Taxes 22 23 Deferred State Income Taxes Investment Tax Credit - pre 1971 24

1,000

Rate Base

25

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Illinois-American Water Company Chicago Metro - Sewer

Interest Synchronization Adjustment For the Test Year Ending December 31, 2010

Line No.	Description	Amount	
	(a)	(b)	
1	Gross Utility Plant in Service	\$ 45,842,899	(1)
2	Weighted Cost of Debt	3.20%	(2)
3	Synchronized Interest Per Staff	1,466,049	
4	Company Interest Expense	1,592,896	(3)
5	Increase (Decrease) in Interest Expense	(126,847)	
6 7	Increase (Decrease) in State Income Tax Expense at 4.107%	\$ 5,210	
8 9	Increase (Decrease) in Federal Income Tax Expense at 35.000%	<u>\$ 42,573</u>	

(1) Source: Appendix A, Sch 3-CMS, Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

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Illinois-American Water Company Chicago Metro - Sewer

Gross Revenue Conversion Factor For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	0.012000	
3	State Taxable Income		0.988000	1.000000
4 5	State Income Tax Federal Taxable Income	4.1070%	0.040577 0.947423	0.041070 0.958930
6	Federal Income Tax	35.0000%	0.331598	0.335626
7	Operating Income		<u>0.615825</u>	0.623304
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	1.604354

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Illinois-American Water Company Chicago Metro - Sewer

Cash Working Capital Adjustment For the Test Year Ending December 31, 2010

Line No.	ltem		Amount (1)	,	rage Daily Amount C)/365	Expense (Lead)/Lag ⁽²⁾	R	Cash Requirement (D)*(E)	Source
(A)	(B)		(C)	<u>-</u>	(D)	(E)		(F)	(G)
1	Revenue	\$	13,804,524						Appendix A, Sch 7-CMS, page 2, line 3
2	Return on Equity	Ψ	(2,314,194)						Appendix A, Sch 7-CMS, page 2, line 19
3	Non-cash OPEB expenses		(=,0::,:0::,						11 - 1 - 7 - 1 - 7/1-3 - 7
4	Uncollectible Accounts		(162,086)						
5	Total Depr/Amortization		(3,379,904)						Appendix A, Sch 7-CMS, page 2, line 13
6			· · · · · · · · · · · · · · · · · · ·						
7	Net Revenues	\$	7,948,341	\$	21,776	49.80	\$	1,084,478	
8									
9	Labor	\$	571,650		1,566	(12.00)		(18,794)	
10	Fuel and Power		1,118,715		3,065	(33.47)		(102,585)	
11	Chemicals		55,643		152	(45.29)		(6,904)	
12	Purchased Water		799,873		2,191			-	Co. Sch. C-2.9, line 1
13	Waste Disposal		1,260,258		3,453	(41.54)		(143,428)	
14	Service Company Charges		-		-	-		-	
15	Group Insurance		117,433		322	7.42		2,386	
16	OPEB's		-		-	-		-	
17	Pensions		87,546		240	(8.00)		(1,919)	
18	Insurance Other than Group		241,398		661	-		-	
19	Customer Accounting		-		-	(33.36)		-	
20	Rents		362		1	8.00		8	
21	General Office		98,248		269	(17.69)		(4,762)	
22	Maintenance		286,183		784	(25.66)		(20,119)	Appendix A, Sch 7-CMS, page 2, line 16
23	Miscellaneous		732,197		2,006	(16.82)		(33,746)	
24									
25	Total O&M Expenses	\$	5,369,506					(329,862)	
26									
27	General Taxes		517,290		1,417	(22.80)		(32,313)	
28	Federal Income Tax - Current		1,424,175		3,902	(53.96)		(210,544)	
29	State Income Tax - Current		156,429		429	(53.96)		(23,126)	
30	Deferred Income Taxes		(185,681)		(509)	-		-	4 " 4 0 1 5 0140 " 0
31	Interest Expense		1,466,049		4,017	(90.00)		(361,492)	Appendix A, Sch 5-CMS, line 3
32 33	Subtotal Other Expenses	¢	3,378,262					(627,474)	
	Subtotal Other Expenses	Φ	3,370,202					(021,414)	
34	Total Ocal Washing Conital Description						•	407.440	Line 7 - Line OF - Line OO
35	Total Cash Working Capital Requirement						<u> </u>	127,142	Line 7 + Line 25 + Line 33
36	Oash Washing Oasital and Otaff (David adda and 1941 000)	•	407.000						Line OF
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$	127,000						Line 35
38	Cash Working Capital per Company		126,000						IAWC Ex. 6.09SR
39 40	Staff Proposed adjustment	\$	1,000						

Source:

- (1) Appendix A, Sch 1-CMS, except where noted.(2) IAWC Ex. 6.09SR, except where noted.

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Illinois-American Water Company Chicago Metro - Sewer

Cash Working Capital Adjustment

Line No. (A)	ltem (B)	 Amount (C)	Source (D)			
1	Total operating revenue	\$ 13,004,651	Appendix A, Sch 1-CMS, line 3, column (i)			
2	Surcharge revenue	799,873	Co. Sch. C-2.9, line 1			
3	Total revenue	\$ 13,804,524	Line 1 + Line 2			
4						
5						
6						
7						
8		 				
9						
10	Depr/amortization per Income Statement	\$ 3,296,715	Appendix A, Sch 1-CMS, line 19, column (i)			
11 12	Amortization of rate case expense Reclassify amortization of tank painting	83,189 -	Appendix A, Sch 1-CMS, line 12, column (i)			
13	Total depr/amortization for CWC	\$ 3,379,904	Sum of lines 10 through 12			
14	Maintenance-other per Income Statement	\$ 286,183	Appendix A, Sch 1-CMS, line 17, column (i)			
15	Reclassify amortization of tank painting	, -	Line 12			
16	Total Maintenance-other for CWC	\$ 286,183	Line 14 - Line 15			
17	Total Rate Base	\$ 45,842,899	Appendix A, Sch 1-CMS, line 29, column (i)			
18	Weighted Cost of Capital	 5.0481%	Staff Ex. 10.0, Sch. 10.1			
19	Return on equity deduction from revenue	\$ 2,314,194	Line 17 * Line 18			

Illinois-American Water Company Pekin

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

Line No.	Description	Company Surrebuttal Case Pro Forma Present Adjusted (Appendix A (Sch. 1-P p. 2)	Staff Adjustments (Appendix A Sch. 2-P)	Staff Pro Forma Present (Cols. b+c)	Company Proposed Increase (Company (IAWC Ex. 6.01 R1 SR)	Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Pro Forma Proposed (Cols. g+h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 2	Tariff Revenue Other Revenue	\$ 5,698,476 151,319	\$	\$ 5,698,476 151,319	\$ 1,634,567	\$ -	\$ 7,333,043 151,319	\$ (73,447)	\$ 7,259,596 151,319
3	Total Operating Revenue	5,849,795	-	5,849,795	1,634,567	-	7,484,362	(73,447)	7,410,915
4	Uncollectible Accounts Expense	68,397	-	68,397	19,615	-	88,012	(881)	87,131
5	Labor	939,549	-	939,549	-	-	939,549	-	939,549
6	Fuel & Power	130,836	-	130,836	-	-	130,836	-	130,836
7	Chemicals	39,495	-	39,495	-	-	39,495	-	39,495
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Management Fees	1,057,841	-	1,057,841	-	-	1,057,841	-	1,057,841
10	Group Insurance	240,350	-	240,350	-	-	240,350	-	240,350
11	Pensions	148,828	-	148,828	-	-	148,828	-	148,828
12	Regulatory Expense	67,093	(3,000)	64,093	-	-	64,093	-	64,093
13	Insurance - other	185,758	-	185,758	-	-	185,758	-	185,758
14	Customer Accounting	119,249	-	119,249	-	-	119,249	-	119,249
15	Rents	5,478	-	5,478	-	-	5,478	-	5,478
16	General Office Expense	216,529	-	216,529	-	-	216,529	-	216,529
17	Maintenance - other	299,328	-	299,328		-	299,328	-	299,328
18	Miscellaneous	351,618	-	351,618	-	-	351,618	-	351,618
19	Depreciation & Amortization	1,219,857	-	1,219,857	-	-	1,219,857	-	1,219,857
20	Taxes other than Income	463,827		463,827			463,827		463,827
21	Total Operating Expense			·					
22	Before Income Taxes	5,554,033	(3,000)	5,551,033	19,615	-	5,570,648	(881)	5,569,767
23	State Income Tax	(7,157)	270	(6,887)	66,326	-	59,439	(2,980)	56,459
24	Federal Income Tax	54,243	2,209	56,452	542,019	-	598,471	(24,355)	574,116
25	Deferred Taxes and ITCs Net	(142,882)	-	(142,882)	-	-	(142,882)	-	(142,882)
26	Total Operating Expenses	5,458,237	(521)	5,457,716	627,960		6,085,676	(28,216)	6,057,460
27	NET OPERATING INCOME	\$ 391,558	\$ 521	\$ 392,079	\$ 1,006,607	\$ -	\$ 1,398,686	\$ (45,231)	\$ 1,353,455

Staff Rate Base (Appendix A, Schedule 3-P, Column (d))

16,411,388 8.25%

1,561,120 26.69%

Staff Overall Rate of Return (ICC Staff Exhibit 10.0, Schedule 10.1) 29

Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3) 30

Percentage Revenue Change (Col. (i), Line 30 divided by Col. (d), Line 3)

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Illinois-American Water Company Pekin

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

		Company Rebuttal Case	Company Surebuttal Adjustment	Interest Syr	nchronization	Company Surrebuttal Case	
Line No.	Description			Staff Rebuttal (Appendix A Sch. 5-P)	Company Surrebuttal (IAWC Ex. 6.02 SR)	Pro Forma Adjusted (Co. Ex. 6.01 SR)	
	(a)	(b)	(c)	(d)	(e)	(f)	
1 2	Tariff Revenue Other Revenue	\$ 5,698,476 151,319	\$ -	\$ - -	\$ - -	\$ 5,698,476 151,319	
3	Total Operating Revenue	5,849,795	-	-	-	5,849,795	
4 5	Uncollectible Accounts Expense Labor	68,397 939,549	-	-	-	68,397 939,549	
6	Fuel & Power	130,836	-	-	-	130,836	
7	Chemicals Waste Disposal	39,495	-	-	-	39,495	
8 9	Management Fees	1,057,841	<u>-</u>	-	_	1,057,841	
10	Group Insurance	240,350	_ _	_	_	240,350	
11	Pensions	148,828	_	_	_	148,828	
12	Regulatory Expense	67,093	-	-	-	67,093	
13	Insurance - other	185,758	-	-	-	185,758	
14	Customer Accounting	119,249	-	-	-	119,249	
15	Rents	5,478	-	-	-	5,478	
16	General Office Expense	216,529	-	-	-	216,529	
17	Maintenance - other	299,328	-	-	-	299,328	
18	Miscellaneous	351,618	-	-	-	351,618	
19	Depreciation & Amortization	1,219,857	-	-	-	1,219,857	
20	Taxes other than Income	463,827		<u> </u>		463,827	
21	Total Operating Expense						
22	Before Income Taxes	5,554,033	-	-	-	5,554,033	
23	State Income Tax	(7,121)	<u>-</u>	355	(391)	(7,157)	
24	Federal Income Tax	54,534	-	2,906	(3,197)	54,243	
25	Deferred Taxes and ITCs Net	(142,882)		<u> </u>		(142,882)	
26	Total Operating Expenses	5,458,564		3,261	(3,588)	5,458,237	
27	NET OPERATING INCOME	\$ 391,231	\$ -	\$ (3,261)	\$ 3,588	\$ 391,558	

Illinois-American Water Company Pekin

Adjustments to Operating Income For the Test Year Ending December 31, 2010

Line No.	Description	Interest Synchronization (Appendix A Sch. 5-P)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	Insurance Expense (Staff Ex. 2.0 Sch. 2.2)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 2	Tariff Revenue Miscellaneous Revenue	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4 5	Uncollectible Accounts Expense Labor	-	-	-	-		 	-	-
6	Fuel & Power	-	-	-	-	-	-	-	-
7	Chemicals	-	-	-	-		-	-	-
8 9	Waste Disposal Management Fees	-	-	-	-	•	• •	-	-
10	Group Insurance	-	-	_	_			-	-
11	Pensions	-	_	-	-			-	-
12	Regulatory Expense	-	(3,000)	-	-			-	(3,000)
13	Insurance - other	-	-	-	-			-	-
14	Customer Accounting	-	-	-	-			-	-
15	Rents	-	-	-	-	-		-	-
16	General Office Expense	-	-	-	-			-	-
17	Maintenance - other	-	-	-	-	•		-	-
18	Miscellaneous	-	-	-	-			-	-
19	Depreciation & Amortization	-	-	-	-	•	-	-	-
20	Taxes other than Income			-	· 	-	·		
21	Total Operating Expense								
22	Before Income Taxes	-	(3,000)	-	-	·	-	-	(3,000)
23	State Income Tax	147	123	-	-			-	270
24	Federal Income Tax	1,202	1,007	-	-			-	2,209
25	Deferred Taxes and ITCs Net		<u> </u>			<u> </u>	<u> </u>		
26	Total Operating Expenses	1,349	(1,870)						(521)
27	NET OPERATING INCOME	\$ (1,349)	\$ 1,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521

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Illinois-American Water Company Pekin

Rate Base

Line No.		Sur Pre (<i>F</i>	Company rebuttal Case Pro Forma sent Adjusted Appendix A, ch 3-P, p. 2)		Staff Adjustments (Appendix A Sch 4-P)		Staff Pro Forma Rate Base (Col. b+c)
	(a)		(b)		(c)		(d)
1 2	Gross Utility Plant in Service Less: Accumulated Depreciation	\$	30,963,696 (11,420,241)	\$	-	\$	30,963,696
_	·				<u>-</u>		(11,420,241)
3	Net Utility Plant in Service		19,543,455		-		19,543,455
4	Construction Work in Progress	\$	-	\$	-	\$	-
5	Utility Plant Acquisition Adj DuPage		-		-		-
6	Additions to Rate Base						
7	Cash Working Capital		209,000		1,000		210,000
8	Materials & Supplies		108,934		-		108,934
9	Deferred Charges - Tank Painting		319,530		-		319,530
10	FAS 109 Reg. Asset-Net of Liability		(4,997)		-		(4,997)
11		-	-		-		-
12		-	-		-		-
13		-	-		-		-
14		-	-		-		-
15	Deductions From Rate Base		- (4 407 407)		-		(4.407.407)
16	Customer Advances		(1,467,187)		-		(1,467,187)
17	Pension Liability		(134,186)		-		(134,186)
18	OPEB Liability		(108,400)		-		(108,400)
19 20	Contributions in Aid of Construction Accum. Depr. On CIAC		(1,989,417) 807,024		-		(1,989,417) 807,024
20 21	Budget Payment Plan		007,024		_		007,024
22	Deferred Federal Income Taxes		(843,910)		-		(843,910)
23	Deferred State Income Taxes		(29,272)		_		(29,272)
			, , ,		_		• • •
24	Investment Tax Credit - pre 1971		(186)	_	_	_	(186)
25	Rate Base	\$	16,410,388	\$	1,000	\$	16,411,388

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Illinois-American Water Company Pekin

Rate Base

Line No.	Description	Re I	Company ebuttal Case Pro Forma Adjusted .WC Ex. 6.03 R1 FR)	Surre Adjus (IAWC	npany ebuttal tments Ex. 6.04 R)	Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)			
	(a)		(b)	(c)		(d)		
1	Gross Utility Plant in Service	\$	30,963,696	\$	-	\$	30,963,696		
2	Less: Accumulated Depreciation		(11,420,241)				(11,420,241)		
3	Net Utility Plant in Service		19,543,455		-		19,543,455		
4	Construction Work in Progress	\$	-		-	\$	-		
5	Utility Plant Acquisition Adj DuPage		-		-		-		
6	Additions to Rate Base								
7	Cash Working Capital		182,000		27,000		209,000		
8	Materials & Supplies		108,934		-		108,934		
9	Deferred Charges - Tank Painting		319,530		-		319,530		
10	FAS 109 Reg. Asset-Net of Liability		(4,997)		-		(4,997)		
11			-		-		-		
12			-		-		-		
13			-		-		-		
14			-		-		-		
15	Deductions From Rate Base		- (4 407 407)		-		-		
16	Customer Advances		(1,467,187)		-		(1,467,187)		
17	Pension Liability		(134,186)		-		(134,186)		
18	OPEB Liability Contributions in Aid of Construction		(108,400)		-		(108,400)		
19 20	Accum. Depr. On CIAC		(1,989,417) 807,024		-		(1,989,417) 807,024		
21	Budget Payment Plan		007,024		_		007,024		
22	Deferred Federal Income Taxes		(843,910)		-		(843,910)		
23	Deferred State Income Taxes		(29,272)		_		(29,272)		
23 24			(186)		-		(186)		
24	Investment Tax Credit - pre 1971		(186)				(186)		
25	Rate Base	\$	16,383,388	\$	27,000	\$	16,410,388		

Illinois-American Water Company Pekin

Adjustments to Rate Base For the Test Year Ending December 31, 2010

Line No.	Description	(A	sh Working Capital ppendix A Sch. 7-P)	((Source)	(Source)	(Source	e)	(Source)	(;	Source)	(5	Source)		Total Rate Base Adjustments
	(a)		(b)		(c)		(d)	(e)		(f)		(g)		(h)		(i)
1	Gross Utility Plant in Service	\$	-	\$	-	\$	_	\$	- \$	-	\$	-	\$	-	\$	-
2	Less: Accumulated Depreciation		-				-			_		-		-	. <u> </u>	-
3	Net Utility Plant in Service		-		-		-		-	-		-		-		-
4	Construction Work in Progress		-		-		-		-	-		-		-		-
5	Utility Plant Acquisition Adj DuPage		-		-		-		-	-		-		-		-
6	Additions to Rate Base															
7	Cash Working Capital		1,000		-		-		-	-		-		-		1,000
8	Materials & Supplies		-		-		-		-	-		-		-		-
9	Deferred Charges - Tank Painting		-		-		-		-	-		-		-		-
10	FAS 109 Reg. Asset-Net of Liability		-		-		-		-	-		-		-		-
11		-	-		-		-		-	-		-		-		-
12		-	-		-		-		-	-		-		-		-
13		-	-		-		-		-	-		-		-		-
14	Deductions From Rate Base	-	-		-		-		-	-		-		-		-
15 16	Customer Advances		-		-		-		-	_		-		-		-
17	Pension Liability		_				_			_		_				
18	OPEB Liability		_		_		_		_			_		_		_
19	Contributions in Aid of Construction		_		_		-		_	_		_		_		_
20	Accum. Depr. On CIAC		_		-		-		-	_		-				_
21	Budget Payment Plan		-		-		-		-	-		-		-		-
22	Deferred Federal Income Taxes		-		-		-		-	-		-		-		-
23	Deferred State Income Taxes		-		-		-		-	-		-		-		-
24	Investment Tax Credit - pre 1971		-				-	-	<u> </u>	-		-				<u>-</u>
25	Rate Base	\$	1,000	\$	-	\$	-	\$	- \$	-	\$	-	\$	-	\$	1,000

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Illinois-American Water Company Pekin

Interest Synchronization Adjustment For the Test Year Ending December 31, 2010

Line			
No.	Description	Amount	
	(a)	(b)	
1	Gross Utility Plant in Service	\$ 16,411,388 ((1)
2	Weighted Cost of Debt	3.20% ((2)
3	Synchronized Interest Per Staff	524,834	
4	Company Interest Expense	528,414 ((3)
5	Increase (Decrease) in Interest Expense	(3,580)	
6	Increase (Decrease) in State Income Tax Expense		
7	at 4.107%	<u>\$ 147</u>	
8	Increase (Decrease) in Federal Income Tax Expense		
9	at 35.000%	\$ 1,202	

(1) Source: Appendix A, Sch 3-P, Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

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Illinois-American Water Company Pekin

Gross Revenue Conversion Factor For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	0.012000	
3	State Taxable Income		0.988000	1.000000
4 5	State Income Tax Federal Taxable Income	4.1070%	0.040577 0.947423	0.041070 0.958930
6	Federal Income Tax	35.0000%	0.331598	0.335626
7	Operating Income		<u>0.615825</u>	0.623304
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

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Schedule 7-P
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Illinois-American Water Company Pekin

Cash Working Capital Adjustment For the Test Year Ending December 31, 2010

Line No.	Item		Amount (1)		erage Daily Amount (C)/365	Expense (Lead)/Lag ⁽²⁾	F	Cash Requirement (D)*(E)	Source
(A)	(B)	<u> </u>	(C)		(D)	(E)		(F)	(G)
1	Revenue Return on Equity	\$	7,410,915						Appendix A, Sch 7-P, page 2, line 3 Appendix A, Sch 7-P, page 2, line 19
2	Non-cash OPEB expenses		(828,463)						Appendix A, Scri 7-P, page 2, line 19
4	Uncollectible Accounts		(87,131)						
5	Total Depr/Amortization		(1,318,103)						Appendix A, Sch 7-P, page 2, line 13
6	Total Bopin thorization		(1,310,103)						7, ppolidix 71, 0011 7 1 , pago 2, 1110 10
7	Net Revenues	\$	5,177,218	\$	14,184	42.31	\$	600,092	
8				Ψ	,	12.01	Ψ	000,002	
9	Labor	\$	939,549		2,574	(12.00)		(30,889)	
10	Fuel and Power	·	130,836		358	(26.98)		(9,672)	
11	Chemicals		39,495		108	(33.52)		(3,627)	
12	Purchased Water		-		-	0.00		-	
13	Waste Disposal		-		-	0.00		-	
14	Service Company Charges		1,057,841		2,898	11.08		32,112	
15	Group Insurance		240,350		658	7.42		4,884	
16	OPEB's		-		-	-		-	
17	Pensions		148,828		408	(8.00)		(3,262)	
18	Insurance Other than Group		185,758		509	0.00			
19	Customer Accounting		119,249		327	(39.62)		(12,944)	
20	Rents		5,478		15	8.00		120	
21 22	General Office Maintenance		216,529		593	(13.18)		(7,819)	Annandiy A. Cab 7.D. naga 2. line 40
23	Miscellaneous		265,175		727 963	(18.14) (16.82)		(13,179) (16,205)	Appendix A, Sch 7-P, page 2, line 16
23 24	Miscellaneous		351,618		903	(10.02)	-	(10,205)	
25	Total O&M Expenses	\$	3,700,706					(60,482)	
26	Total Gain Exponded	Ψ	0,700,700					(00,402)	
27	General Taxes		463,827		1,271	(83.87)		(106,579)	
28	Federal Income Tax - Current		574,116		1,573	(53.96)		(84,875)	
29	State Income Tax - Current		56,459		155	(53.96)		(8,347)	
30	Deferred Income Taxes		(142,882)		(391)	-		-	
31	Interest Expense		524,834		1,438	(90.00)		(129,411)	Appendix A, Sch 5-P, line 3
32	•		· · · · · · · · · · · · · · · · · · ·		•	, ,		, , , , , , , , , , , , , , , , , , , ,	
33	Subtotal Other Expenses	\$	1,476,354					(329,211)	
34									
35	Total Cash Working Capital Requirement						\$	210,399	Line 7 + Line 25 + Line 33
36									
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$	210,000						Line 35
38	Cash Working Capital per Company		209,000						IAWC Ex. 6.09SR
39									
40	Staff Proposed adjustment	\$	1,000						

Source:

- (1) Appendix A, Sch 1-P, except where noted.(2) IAWC Ex. 6.09SR, except where noted.

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Illinois-American Water Company Pekin

Cash Working Capital Adjustment For the Test Year Ending December 31, 2010

Line No. (A)			Amount (C)	Source (D)
		o		
1 2	Total operating revenue	\$	7,410,915	Appendix A, Sch 1-P, line 3, column (i)
3	Surcharge revenue Total revenue	\$	7,410,915	Not applicable Line 1 + Line 2
3	Total revenue	Ψ	7,410,915	Line 1 + Line 2
4				
5				
6				
7				
8				
9		-		
10	Depr/amortization per Income Statement	\$	1,219,857	Appendix A, Sch 1-P, line 19, column (i)
11	Amortization of rate case expense		64,093	Appendix A, Sch 1-P, line 12, column (i)
12	Reclassify amortization of tank painting		34,153	IAWC Ex. 6.14 R1
13	Total depr/amortization for CWC	<u>\$</u>	1,318,103	Sum of lines 10 through 12
14	Maintenance-other per Income Statement	\$	299,328	Appendix A, Sch 1-P, line 17, column (i)
15	Reclassify amortization of tank painting	·	34,153	Line 12
16	Total Maintenance-other for CWC	\$	265,175	Line 14 - Line 15
17	Total Rate Base	\$	16,411,388	Appendix A, Sch 1-P, line 29, column (i)
18	Weighted Cost of Capital	*	5.0481%	Staff Ex. 10.0, Sch. 10.1
19	Return on equity deduction from revenue	\$	828,463	Line 17 * Line 18
	1 7		,	

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Illinois-American Water Company Lincoln

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

Line No.	Description	Compan Surrebuttal (Pro Form Present Adju (Appendix (Sch. 1-L p	Case a usted A	Staff Adjustm (Append Sch. 2-	ents ix A	Staff Pro Forma Present Cols. b+c)	(1	Company Proposed Increase (Company IAWC Ex. 6.01 SR)	Sta Gro Reve Conve Fac	ss nue rsion	F A	Proposed Rates With Staff djustments Cols. d+e+f)	Pr	ustment To oposed crease	Staff Pro Forma Proposed (Cols. g+h)
	(a)	(b)		(c)		(d)		(e)	(f			(g)		(h)	(i)
1 2	Tariff Revenue Other Revenue	\$ 3,	137,222 35,299	\$		\$ 3,137,222 35,299	\$	953,565	\$		\$	4,090,787 35,299	\$	(40,586) ·	4,050,201 35,299
3	Total Operating Revenue	3,	172,521		-	3,172,521		953,565		-		4,126,086		(40,586)	4,085,500
4	Uncollectible Accounts Expense		19,556		_	19,556		11,443		_		30,999		(487)	30,512
5	Labor		510,681		-	510,681		-		-		510,681		` -	510,681
6	Fuel & Power		199,487		-	199,487		-		-		199,487		-	199,487
7	Chemicals		65,163		-	65,163		-		-		65,163		-	65,163
8	Waste Disposal		36,873		-	36,873		-		-		36,873		-	36,873
9	Management Fees	4	131,682		-	431,682		-		-		431,682		-	431,682
10	Group Insurance		135,980		-	135,980		-		-		135,980		-	135,980
11	Pensions		80,869		-	80,869		-		-		80,869		-	80,869
12	Regulatory Expense		27,379		(1,000)	26,379		-		-		26,379		-	26,379
13	Insurance - other		77,102		-	77,102		-		-		77,102		-	77,102
14	Customer Accounting		68,831		-	68,831		-		-		68,831		-	68,831
15	Rents		20,034		-	20,034		-		-		20,034		-	20,034
16	General Office Expense		42,910		-	42,910		-		-		42,910		-	42,910
17	Maintenance - other	•	174,339		-	174,339				-		174,339		-	174,339
18	Miscellaneous		162,520		-	162,520		-		-		162,520		-	162,520
19	Depreciation & Amortization		788,587		-	788,587		-		-		788,587		-	788,587
20	Taxes other than Income	•	199,754		-	199,754		-		-		199,754		-	199,754
21	Total Operating Expense														
22	Before Income Taxes	3,0	041,747		(1,000)	3,040,747		11,443		-		3,052,190		(487)	3,051,703
23	State Income Tax		(6,757)		124	(6,633)		38,693		-		32,060		(1,647)	30,413
24	Federal Income Tax		(1,485)		1,016	(469)		316,200		-		315,731		(13,458)	302,273
25	Deferred Taxes and ITCs Net		(58,308)		-	(58,308)		,		-		(58,308)		-	(58,308)
26	Total Operating Expenses		975,197		140	 2,975,337		366,336		-		3,341,673	-	(15,592)	3,326,081
	, 5 /					 		,				, , , , , , , ,			, ,,,,,,
27	NET OPERATING INCOME	\$	197,324	\$	(140)	\$ 197,184	\$	587,229	\$	-	\$	784,413	\$	(24,994)	759,419

Staff Rate Base (Appendix A, Schedule 3-L, Column (d))

\$ 9,208,368 8.25%

\$ 912,979 28.78%

Staff Overall Rate of Return (ICC Staff Exhibit 10.0, Schedule 10.1)

³⁰ Revenue Change (Col. (g) Line 3 minus Col. (d), Line 3)

³¹ Percentage Revenue Change (Col. (g), Line 31 divided by Col. (d), Line 3)

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Illinois-American Water Company Lincoln

Statement of Operating Income with Adjustments For the Test Year Ending December 31, 2010

		Company Rebuttal Case	Company Surebuttal Adjustment	Interest Syr	nchronization	Company Surrebuttal Case	
Line No.	Description	Pro Forma Adjusted (Co. Ex. 6.01 R1)	(Not Applicable)	Staff Rebuttal (Appendix A Sch. 5-L)	Company Surrebuttal (IAWC Ex. 6.02 SR)	Pro Forma Adjusted (Co. Ex. 6.01 SR)	
	(a)	(b)	(c)	(d)	(e)	(f)	
1 2	Tariff Revenue Other Revenue	\$ 3,137,222 35,299	\$ -	\$ - <u>-</u>	\$ -	\$ 3,137,222 35,299	
3	Total Operating Revenue	3,172,521	-	-	-	3,172,521	
4 5	Uncollectible Accounts Expense Labor	19,556 510,681	- -	- -	-	19,556 510,681	
6	Fuel & Power	199,487	-	-	-	199,487	
7	Chemicals	65,163	-	-	-	65,163	
8	Waste Disposal	36,873	-	-	-	36,873	
9	Management Fees	431,682	-	-	-	431,682	
10	Group Insurance	135,980	-	-	-	135,980	
11	Pensions	80,869	-	-	-	80,869	
12	Regulatory Expense	27,379	-	-	-	27,379	
13	Insurance - other	77,102	-	-	-	77,102	
14	Customer Accounting	68,831	-	-	-	68,831	
15	Rents	20,034	-	-	-	20,034	
16	General Office Expense	42,910	-	-	-	42,910	
17	Maintenance - other	174,339	-	-	-	174,339	
18	Miscellaneous	162,520	-	-	-	162,520	
19	Depreciation & Amortization	788,587	-	-	-	788,587	
20	Taxes other than Income	199,754	-	<u> </u>		199,754	
21	Total Operating Expense						
22	Before Income Taxes	3,041,747	-	-	-	3,041,747	
23	State Income Tax	(6,745)	- -	83	(95)	(6,757)	
24	Federal Income Tax	(1,388)	· -	680	(777)	(1,485)	
25	Deferred Taxes and ITCs Net	(58,308)	·	<u> </u>		(58,308)	
26	Total Operating Expenses	2,975,306		763	(872)	2,975,197	
27	NET OPERATING INCOME	\$ 197,215	\$ -	\$ (763)	\$ 872	\$ 197,324	

Illinois-American Water Company Lincoln

Adjustments to Operating Income For the Test Year Ending December 31, 2010

Line No.	Description (a)	Synchronization (Appendix A Sch. 5-L) (b)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	Expense (Staff Ex. 9.0 Sch. 9.1) (Source) (Source) (Source)		(Source)	Total Operating Statement Adjustments (i)		
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue	-	-	Ψ .					· -
3	Total Operating Revenue	-	-		-			-	-
4	Uncollectible Accounts Expense	-	-						_
5	Labor	-	-					-	-
6	Fuel & Power	-	-					-	-
7	Chemicals	-	-					-	-
8	Waste Disposal	-	-					-	-
9	Management Fees	-	-					-	-
10	Group Insurance	-	-					-	-
11	Pensions	-	-					-	-
12	Regulatory Expense	-	(1,000)					-	(1,000)
13	Insurance - other	-	-					-	-
14	Customer Accounting	-	-					-	-
15	Rents	-	-					-	-
16	General Office Expense	-	-					-	-
17	Maintenance - other	-	-				-	-	-
18	Miscellaneous	-	-					-	-
19	Depreciation & Amortization	-	-				-	-	-
20	Taxes other than Income				<u> </u>	<u> </u>	<u> </u>	-	<u> </u>
21	Total Operating Expense								
22	Before Income Taxes	-	(1,000)	•	-		-	-	(1,000)
23	State Income Tax	83	41						124
24	Federal Income Tax	680	336					-	1,016
25	Deferred Taxes and ITCs Net				<u> </u>		<u> </u>		·
26	Total Operating Expenses	763	(623)						140
27	NET OPERATING INCOME	\$ (763)	\$ 623	<u>\$</u> -	<u>\$</u> -	\$ -	\$ -	\$ -	\$ (140)

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Illinois-American Water Company Lincoln

Rate Base

Line No.			Company rebuttal Case Pro Forma sent Adjusted Appendix A, ch 3-L, p. 2)	Staff Adjustments (Appendix A Sch 4-L) (c)			Staff Pro Forma Rate Base (Col. b+c)
	(3)		(2)		(0)		(4)
1	Gross Utility Plant in Service	\$	21,971,432	\$	-	\$	21,971,432
2	Less: Accumulated Depreciation		(10,888,302)		-		(10,888,302)
3	Net Utility Plant in Service		11,083,130		-		11,083,130
4	Construction Work in Progress	\$	-	\$	-	\$	-
5	Utility Plant Acquisition Adj DuPage		-		-		-
6	Additions to Rate Base						
7	Cash Working Capital		136,000		-		136,000
8	Materials & Supplies		53,347		-		53,347
9	Deferred Charges - Tank Painting		244,697		-		244,697
10	FAS 109 Reg. Asset-Net of Liability		(2,039)		-		(2,039)
11	-		-		-		-
12	-		-		-		-
13	-		-		-		-
14	-		-		-		-
15	Deductions From Rate Base		-		-		
16	Customer Advances		(992,918)		-		(992,918)
17	Pension Liability		(71,039)		-		(71,039)
18	OPEB Liability		(44,236)		-		(44,236)
19	Contributions in Aid of Construction		(774,300)		-		(774,300)
20	Accum. Depr. On CIAC		220,754		-		220,754
21	Budget Payment Plan		-		-		-
22	Deferred Federal Income Taxes		(623,331)		-		(623,331)
23	Deferred State Income Taxes		(21,621)		-		(21,621)
24	Investment Tax Credit - pre 1971		(76)		<u>-</u>		(76)
25	Rate Base	\$	9,208,368	\$		\$	9,208,368

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Illinois-American Water Company Lincoln

Rate Base

Line No.			Company Rebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 R1 FR)		Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)			Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)		
<u> </u>	(a)		(b)		(c)			(d)		
1	Gross Utility Plant in Service	\$	21,971,432	\$	_		\$	21,971,432		
2	Less: Accumulated Depreciation	•	(10,888,302)	•		-	•	(10,888,302)		
3	Net Utility Plant in Service		11,083,130			-		11,083,130		
4	Construction Work in Progress	\$	-			_	\$	-		
5	Utility Plant Acquisition Adj DuPage		-			-		-		
6	Additions to Rate Base									
7	Cash Working Capital		127,000		9,00	00		136,000		
8	Materials & Supplies		53,347			-		53,347		
9	Deferred Charges - Tank Painting		244,697			-		244,697		
10	FAS 109 Reg. Asset-Net of Liability		(2,039)			-		(2,039)		
11			-			-		-		
12			-			-		-		
13			-			-		-		
14			-			-		-		
15	Deductions From Rate Base		- ()			-		-		
16	Customer Advances		(992,918)			-		(992,918)		
17	Pension Liability		(71,039)			-		(71,039)		
18	OPEB Liability Contributions in Aid of Construction		(44,236)			-		(44,236)		
19			(774,300)			-		(774,300)		
20	Accum. Depr. On CIAC Budget Payment Plan		220,754			-		220,754		
21 22	Deferred Federal Income Taxes		(623,331)			-		(623,331)		
			, ,					,		
23	Deferred State Income Taxes		(21,621)			-		(21,621)		
24	Investment Tax Credit - pre 1971	-	(76)			-	-	(76)		
25	Rate Base	\$	9,199,368	\$	9,00	00	\$	9,208,368		

Illinois-American Water Company Lincoln

Adjustments to Rate Base For the Test Year Ending December 31, 2010

Line No.	Description	Ca _l (Appe Sch			urce)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(0)	(c)	(d)	(f)	(g)	(g)	(h)	(i)
1 2	Gross Utility Plant in Service Less: Accumulated Depreciation	\$		\$	- \$		\$ -	\$ -	\$ -	\$ -	\$ -
3	Net Utility Plant in Service		-		-	-	-	-	-	-	-
4 5	Construction Work in Progress Utility Plant Acquisition Adj DuPage		-		-	-	-	-	- -	-	- -
6	Additions to Rate Base										
7	Cash Working Capital		-		-	-	-	-	-	-	<u>-</u>
8	Materials & Supplies		-		-	-	-	-	-	-	<u>-</u>
9	Deferred Charges - Tank Painting		-		-	-	-	-	-	-	<u>-</u>
10	FAS 109 Reg. Asset-Net of Liability		-		-	-	-	-	-	-	-
11		-	-		-	-	-	-	-	-	-
12		-	-		-	-	-	-	-	-	-
13		-	-		-	-	-	-	-	-	-
14		-	-		-	-	-	-	-	-	-
15	Deductions From Rate Base		-		-	-	-	-	-	-	-
16	Customer Advances										
17	Pension Liability		-		-	-	-	-	-	-	-
18	OPEB Liability		-		-	-	-	-	-	-	-
19	Contributions in Aid of Construction		-		-	-	-	•	-	-	-
20	Accum. Depr. On CIAC		-		-	-	-	•	-	-	-
21	Budget Payment Plan		-		-	-	-	-	-	-	· -
22	Deferred Federal Income Taxes Deferred State Income Taxes		-		-	-	-	-	-	-	-
23	Investment Tax Credit - pre 1971		-		-	-	-	-	-	-	-
24	investment rax Credit - pre 1971				 -	<u>-</u>					
25	Rate Base	\$	-	\$	- \$	-	\$ -	\$ -	\$ -	\$ -	\$ -

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Illinois-American Water Company Lincoln

Interest Synchronization Adjustment For the Test Year Ending December 31, 2010

Line No.	Description	۸	mount
INO.	(a)		(b)
1	Gross Utility Plant in Service	\$	9,208,368 (1)
2	Weighted Cost of Debt		3.20% (2)
			, ,
3	Synchronized Interest Per Staff		294,482
4	Company Interest Expense		296,509 (3)
5	Increase (Decrease) in Interest Expense		(2,027)
6	Increase (Decrease) in State Income Tax Expense		
7	at 4.107%	\$	83
8	Increase (Decrease) in Federal Income Tax Expense		
9	at 35.000%	<u>\$</u>	680

(1) Source: Appendix A, Sch 3-L, Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

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Illinois-American Water Company Lincoln

Gross Revenue Conversion Factor For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	0.012000	
3	State Taxable Income		0.988000	1.000000
4 5	State Income Tax Federal Taxable Income	4.1070%	0.040577 0.947423	0.041070 0.958930
6	Federal Income Tax	35.0000%	0.331598	0.335626
7	Operating Income		<u>0.615825</u>	0.623304
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

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Illinois-American Water Company Lincoln

Cash Working Capital Adjustment For the Test Year Ending December 31, 2010

Line				Д	rage Daily Amount	Expense	Re	Cash equirement	
No.			Amount (1)	(C)/365		(Lead)/Lag (2)	(D)*(E)		Source
(A)	(B)		(C)		(D)	(E)		(F)	(G)
1	Revenue	\$	4,085,500						Appendix A, Sch 7-L, page 2, line 3
2	Return on Equity		(464,847)						Appendix A, Sch 7-L, page 2, line 19
3	Non-cash OPEB expenses		-						
4	Uncollectible Accounts		(30,512)						
5	Total Depr/Amortization		(836,416)						Appendix A, Sch 7-L, page 2, line 13
6									
7	Net Revenues	\$	2,753,725	\$	7,544	47.13	\$	355,548	
8									
9	Labor	\$	510,681		1,399	(12.00)		(16,790)	
10	Fuel and Power		199,487		547	(25.06)		(13,696)	
11	Chemicals		65,163		179	(32.02)		(5,716)	
12	Purchased Water		-		-			-	
13	Waste Disposal		36,873		101	39.70		4,011	
14	Service Company Charges		431,682		1,183	11.08		13,104	
15	Group Insurance		135,980		373	7.42		2,763	
16	OPEB's		-		-	(7.00)		-	
17	Pensions		80,869		222	(8.00)		(1,772)	
18	Insurance Other than Group		77,102		211	0.00		-	
19	Customer Accounting		68,831		189	(47.88)		(9,029)	
20	Rents		20,034		55	8.00		439	
21	General Office		42,910		118	(18.40)		(2,163)	
22	Maintenance		152,889		419	(31.31)		(13,115)	Appendix A, Sch 7-L page 2, line 16
23	Miscellaneous		162,520		445	(16.82)		(7,490)	
24									
25	Total O&M Expenses	\$	1,985,021					(49,456)	
26									
27	General Taxes		199,754		547	(87.38)		(47,821)	
28	Federal Income Tax - Current		302,273		828	(53.96)		(44,687)	
29	State Income Tax - Current		30,413		83	(53.96)		(4,496)	
30	Deferred Income Taxes		(58,308)		(160)	-		-	
31	Interest Expense		294,482		807	(90.00)		(72,612)	Appendix A, Sch 5-L, line 3
32		_							
33	Subtotal Other Expenses	\$	768,614					(169,615)	
34									
35	Total Cash Working Capital Requirement						\$	136,477	Line 7 + Line 25 + Line 33
36									
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$	136,000						Line 35
38	Cash Working Capital per Company		136,000						IAWC Ex. 6.09SR
39									
40	Staff Proposed adjustment	\$							

Source:

- (1) Appendix A, Sch 1-L except where noted.(2) IAWC Ex. 6.09SR, except where noted.

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Illinois-American Water Company Lincoln

Cash Working Capital Adjustment For the Test Year Ending December 31, 2010

Line No. (A)	ltem (B)		Source (D)		
1 2 3	Total operating revenue Surcharge revenue Total revenue	\$ \$	4,085,500 - 4,085,500	Appendix A, Sch 1-L, line 3, column (i) Not applicable Line 1 + Line 2	
4 5					
6 7 8 9					
10 11 12 13	Depr/amortization per Income Statement Amortization of rate case expense Reclassify amortization of tank painting Total depr/amortization for CWC	\$	788,587 26,379 21,450 836,416	Appendix A, Sch 1-L, line 19, column (i) Appendix A, Sch 1-L, line 12, column (i) IAWC Ex. 6.14 R1 Sum of lines 10 through 12	
14 15 16	Maintenance-other per Income Statement Reclassify amortization of tank painting Total Maintenance-other for CWC	\$	174,339 21,450 152,889	Appendix A, Sch 1-L, line 17, column (i) Line 12 Line 14 - Line 15	
17 18 19	Total Rate Base Weighted Cost of Capital Return on equity deduction from revenue	\$	9,208,368 5.0481% 464,847	Appendix A, Sch 1-L, line 29, column (i) Staff Ex. 10.0, Sch. 10.1 Line 17 * Line 18	